

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH ARTICLE 126 OF THE JERSEY COMPANIES LAW. THIS DOCUMENT CONTAINS PROPOSALS WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF HERITAGE'S ORDINARY SHARES ON THE OFFICIAL LIST AND THEIR ADMISSION TO TRADING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, you should send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee. However, this document and the accompanying documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you sell or have sold part only of your holding of Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read as a whole, in conjunction with the accompanying documents. Your attention is drawn, in particular, to the Letter from the Chairman of Heritage, on behalf of the Independent Directors, which is set out in Part I of this document and which contains the unanimous recommendations of the Independent Directors that you vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Extraordinary General Meeting and the Independent Shareholders' Meeting. A letter from J.P. Morgan Cazenove explaining the Scheme is set out in Part III of this document and constitutes an Explanatory Statement in compliance with Article 126 of the Jersey Companies Law.

Recommended Acquisition
of
HERITAGE OIL PLC
by
ENERGY INVESTMENTS GLOBAL LTD
a wholly-owned subsidiary of
AL MIRQAB CAPITAL SPC
(to be effected by means of a
Scheme of Arrangement under Article 125 of the Companies (Jersey) Law 1991)
and
NOTICE OF SHAREHOLDERS' MEETINGS

Notices convening the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting of Heritage, each of which are to be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands on 23 June 2014, are set out at the end of this document.

The Court Meeting will start at 9:00 a.m. on 23 June 2014. The enclosed BLUE Form of Proxy in respect of the Court Meeting should be completed and returned to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and should arrive no later than 9:00 a.m. on 21 June 2014.

The Extraordinary General Meeting will start at 9:15 a.m. on 23 June 2014. The enclosed PINK Form of Proxy in respect of the Extraordinary General Meeting to be valid must be completed and returned to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and should arrive no later than 9:15 a.m. on 21 June 2014.

The Independent Shareholders' Meeting will start at 9:30 a.m. on 23 June 2014. The enclosed GREEN Form of Proxy in respect of the Independent Shareholders' Meeting to be valid must be completed and returned to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and should arrive no later than 9:30 a.m. on 21 June 2014.

The time by which a person must be entered on the register of members in order to have the right to vote at the meetings is 6:00 p.m. on 21 June 2014. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend and vote at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of Court Meeting, the Notice of Extraordinary General Meeting and the Notice of Independent Shareholders' Meeting. Completion and return of a BLUE Form of Proxy will not preclude holders of Ordinary Shares from attending and voting in person at the Court Meeting (or any adjournment thereof) should they so wish in respect of any Ordinary Shares. However, completion and return of a PINK Form of Proxy and/or a GREEN Form of Proxy will, under the Articles of Association of Heritage, preclude holders of Ordinary Shares from attending and

voting in person at the Extraordinary General Meeting and/or the Independent Shareholders' Meeting (as applicable) or any adjournments thereof unless the proxy is duly revoked at least one hour prior to the relevant Meeting.

A summary of the action to be taken by the holders of the Ordinary Shares is set out on pages 9 to 11 of this document and in the accompanying notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

No person has been authorised to make any representation on behalf of Heritage (or as the case may be) in relation to the Acquisition which are inconsistent with the statements contained in this document and any representations, if made, may not be relied upon as having been so authorised. The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part V of this document. Each Ordinary Shareholder is advised to read and consider carefully the text of the Scheme itself, on the basis that this document, and in particular the Letter from the Chairman of Heritage, on behalf of the Independent Directors (which is set out in Part I of this document) and the Explanatory Statement (which is set out in Part III of this document), has been prepared solely to assist Ordinary Shareholders in respect of voting on the Scheme.

J.P. Morgan Limited is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Securities plc is authorised in the United Kingdom by the PRA and regulated by the FCA and the PRA. J.P. Morgan Limited and J.P. Morgan Securities plc conduct their respective UK investment banking business as J.P. Morgan Cazenove. J.P. Morgan Limited and J.P. Morgan Securities plc are acting, respectively, as sole financial adviser and broker exclusively for Heritage and no-one else in connection with the Acquisition and the other matters set out in this document and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Acquisition and the other matters set out in this document and will not be responsible to anyone other than Heritage for providing the protections afforded to clients of J.P. Morgan Limited or J.P. Morgan Securities plc, nor for giving advice in relation to the Acquisition or any transaction or arrangement referred to in this document.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFIN - Federal Financial Supervisory Authority). Deutsche Bank AG, London Branch is further authorised by the Prudential Regulation Authority and is subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Deutsche Bank is acting as financial adviser to Al Mirqab and no one else in connection with the Acquisition and will not be responsible to anyone other than Al Mirqab for providing the protections afforded to its clients or for providing advice in connection with the Acquisition or any matter referred to herein.

QInvest LLC is authorised and regulated in Qatar by the Qatar Finance Centre Regulatory Authority. QInvest is acting as financial adviser to Al Mirqab and no one else in connection with the contents of this document and will not be responsible to anyone other than Al Mirqab for providing the protections afforded to its clients or for providing advice in connection with the contents of this document or any matter referred to herein.

Certain words and terms used in this document are defined in Part IX of this document.

Dated: 27 May 2014

IMPORTANT NOTICE

The distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom or Jersey may be restricted by the laws of any jurisdiction other than the United Kingdom or Jersey and, therefore, persons into whose possession this document comes should inform themselves about and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This document is not an offer to sell or an invitation to purchase or issue, or a solicitation of an offer to buy or subscribe for, shares or other securities or a solicitation of any vote or approval in any jurisdiction nor is it a prospectus for the purposes of the Companies (General Provisions) (Jersey) Order 2002. This document is a circular relating to the Acquisition which has been prepared in accordance with Jersey law, the Listing Rules and the City Code.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. Such statements include, but are not limited to, statements with regard to the intentions, beliefs or current expectations of the Heritage Directors or the Heritage Group or the Al Mirqab Director, the Bidco Director or the Al Mirqab Group concerning, among other things, the satisfaction of the Conditions, the outcome of the Acquisition, future production, projections for sales growth, estimated revenues, reserves and resources, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the amount, declaration and payment of any dividend, the outlook for the prices of hydrocarbons, the outlook for economic recovery and trends in the trading environment and capacity of the Heritage Group or the Al Mirqab Group and the industries in which they operate. These forward-looking statements can be (but are not necessarily) identified by the use of words such as “believe”, “anticipate”, “expect”, “estimate”, “intend”, “aim”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “envisage”, “will”, “should”, “shall”, “risk”, “would”, “could”, “goal”, “target” or, in each case, their negative or other variations or comparable expressions that are predictions of or indicate future events and future trends. These forward-looking statements include all matters that are not historical facts.

Heritage Shareholders should not place undue reliance on forward-looking statements because, by their nature, they involve known and unknown risks, uncertainties and other factors and relate to events and depend on circumstances that may or may not occur in the future that are in many cases beyond the control of the Heritage Group or the Al Mirqab Group. Heritage cautions Heritage Shareholders that forward-looking statements are not guarantees of future performance and that the actual results and developments of operations, prospects, financial condition and liquidity of the Heritage Group or the Al Mirqab Group, and the development of the industry in which they operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document.

In addition, even if the results of the operations, financial conditions and liquidity of the Heritage Group or the Al Mirqab Group and the development of the industries in which they operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to: general economic and business conditions; commodity price volatility; industry trends; competition; the availability of debt and other financing on acceptable terms; changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages; changes in political and economic stability; currency fluctuations including Naira/US\$, £/US\$ and Russian Rouble/US\$ exchange rates; the Heritage Group’s or the Al Mirqab Group’s ability to integrate new businesses and recover their reserves or develop new reserves and changes in business strategy or development plans and other risks.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that Heritage or Al Mirqab, or persons acting on their respective behalves, may issue.

These forward-looking statements reflect (as the case may be) the Heritage Directors’, the Al Mirqab Director’s or the Bidco Director’s judgment at the date of this document and are not intended to give any assurances as to future results. Other than in accordance with their legal or regulatory obligations (including the Listing Rules and the Disclosure and Transparency Rules), neither the Heritage Directors, the Heritage Group, the Al Mirqab Director, the Bidco Director, the Al Mirqab Group, Deutsche Bank, QInvest nor J.P. Morgan Cazenove undertakes any obligation and expressly disclaims any intention or obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

INFORMATION FOR OVERSEAS SHAREHOLDERS

The release, publication or distribution of this document in jurisdictions other than the United Kingdom and Jersey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Jersey should inform themselves about, and should observe, any applicable requirements. In particular the ability of persons who are not resident in the United Kingdom or Jersey to vote their Ordinary Shares at the Extraordinary General Meeting or the Independent Shareholders' Meeting or with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at a Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such requirements by any person.

Unless otherwise determined by Al Mirqab or required by the City Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within any jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Acquisition may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Acquisition may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Acquisition to Heritage Shareholders who are not resident in the United Kingdom or Jersey may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or Jersey should inform themselves of, and should observe, any applicable requirements.

Heritage is a reporting issuer in the Canadian provinces of British Columbia, Alberta and Ontario. However, Heritage has disclosed publicly that it is a "designated foreign issuer" within the meaning of NI 71-102 and as such it satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation provided it complies with the requirements in Section 5.7 of NI 71-102, including, *inter alia*, complying with the foreign disclosure requirements relating to proxy statements, proxies and proxy solicitation. Furthermore, as of 30 April 2014, the date of the announcement of the proposed Acquisition, Ordinary Shares (and securities convertible into Ordinary Shares) held by beneficial owners in Canada constituted less than two per cent of the outstanding Ordinary Shares of Heritage. Accordingly, although Heritage is a reporting issuer in the aforementioned jurisdictions, this document has not been prepared in accordance with disclosure requirements applicable in Canada.

Heritage has also received discretionary relief from the applicable securities regulators in Canada for relief from NI 51-101. The effect of this relief is that while Heritage is a reporting issuer in Canada, it is not required to comply with the oil and gas disclosure requirements of NI 51-101, and this document was not prepared in accordance with such requirements.

NOTICE TO US HOLDERS OF ORDINARY SHARES

US Holders should note that the Acquisition relates to the shares of a Jersey company and is being made by means of a scheme of arrangement provided for under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in Jersey to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Al Mirqab exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom and/or Jersey that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US Holder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Heritage and Al Mirqab are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Al Mirqab or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ordinary Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-markets/markets/prices.htm>

NO PROFIT FORECASTS OR ESTIMATES

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings or earnings per share for the current or future financial years would necessarily match or exceed the historical published or earnings per share.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

ELECTRONIC COMMUNICATIONS

Please be aware that addresses, electronic addresses and certain information provided by Heritage Shareholders, persons with information rights and other relevant persons for the receipt of communications from Heritage may be provided to Al Mirqab during the Offer Period as requested under Section 4 of Appendix 4 of the City Code to comply with Rule 2.12(c) of the City Code.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document and all information incorporated into this document by reference to another source, will be made available, subject to certain restrictions relating to persons resident, located or with a registered address in any jurisdiction where the extension or availability of the Acquisition would breach any applicable law, on Heritage's website at www.heritageoilplc.com by no later than 12 noon (London time) on 28 May 2014. For the avoidance of doubt, the contents of those websites are not incorporated and do not form part of this document.

You may request a hard copy of this document and all information incorporated into this document by reference to another source by contacting the Shareholder Helpline on 0870 707 4040 (or, from outside the United Kingdom, +44 (0)870 707 4040) or by submitting a request in writing to Computershare Investor Services (Jersey) Limited at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands. A copy of such documents or information incorporated by reference into this document will not be provided unless requested. Documents so requested will be despatched within two Business Days. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time for lodging Forms of Proxy for the:

• Court Meeting (BLUE Form of Proxy)	9:00 a.m. on 21 June 2014 ¹
• Extraordinary General Meeting (PINK Form of Proxy)	9:15 a.m. on 21 June 2014 ²
• Independent Shareholders' Meeting (GREEN Form of Proxy)	9:30 a.m. on 21 June 2014 ³
Voting Record Time	6:00 p.m. on 21 June 2014 ⁴
Court Meeting	9:00 a.m. on 23 June 2014
Extraordinary General Meeting	9:15 a.m. on 23 June 2014 ⁵
Independent Shareholders' Meeting	9:30 a.m. on 23 June 2014 ⁶
Last Dealing Date in Ordinary Shares on LSE	by 5:00 p.m. on 26 June 2014 ⁷
Scheme Court Hearing to sanction the Scheme	9:00 a.m. on 27 June 2014 ⁷
Scheme Record Time	6:00 p.m. on 27 June 2014 ⁷
Expected Effective Date	30 June 2014 ⁷
Cancellation of admission of Ordinary Shares to trading on LSE	8:00 a.m. on 01 July 2014 ⁷
Latest date for dispatch of cheques or credit of CREST accounts in respect of payment of cash consideration.	14 July 2014 ⁷
Long Stop Date	29 September 2014

If any of the above times and/or dates change, the revised times and/or dates will be notified to Heritage Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange and Canadian Newswires. All references to time in this document are references to the time in London, United Kingdom, and Jersey, Channel Islands unless otherwise stated.

The Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting will be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, JE4 8PX, Jersey, Channel Islands.

¹ It is requested that BLUE Forms of Proxy for the Court Meeting be lodged before 9:00 a.m. on 21 June 2014. BLUE Forms of Proxy not lodged by this time may be handed to a representative of Computershare at the venue of the Court Meeting or the Chairman of the Court Meeting immediately prior to the start of the Court Meeting.

² The PINK Forms of Proxy for the Extraordinary General Meeting must be lodged before 9:15 a.m. on 21 June 2014 and cannot be handed to the Chairman of the Extraordinary General Meeting at that meeting or adjourned meeting.

³ The GREEN Forms of Proxy for the Independent Shareholders' Meeting must be lodged before 9:30 a.m. on 21 June 2014 and cannot be handed to the Chairman of the Independent Shareholders' Meeting at that meeting or adjourned meeting.

⁴ If any one of the Court Meeting, the Extraordinary General Meeting or the Independent Shareholders' Meeting is adjourned, then the voting record time for the reconvened meeting will be 48 hours before the time fixed for the reconvened meeting.

⁵ Or as soon as the Court Meeting shall have been concluded or been adjourned.

⁶ Or as soon as the Extraordinary General Meeting shall have been concluded or been adjourned.

⁷ These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and whether the Conditions are satisfied or (if capable of waiver) waived on or prior to such date.

ACTION TO BE TAKEN

For the reasons set out in this document, the Independent Directors, who have been so advised by J.P. Morgan Cazenove, consider the terms of the Acquisition and the Buckingham Arrangements to be fair and reasonable. In providing advice to the Independent Directors, J.P. Morgan Cazenove has taken into account the commercial assessments of the Independent Directors.

Accordingly, in order to implement the Acquisition, the Independent Directors unanimously recommend that you vote in favour of the resolutions proposed to be passed at the Meetings, as the Independent Directors and Paul Atherton have irrevocably undertaken to do in respect of their own beneficial holdings of Ordinary Shares, and that you take the action described below.

Detailed instructions on the action to be taken are set out in section 7 of Part I and in the notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting set out at the end of this document and are summarised below.

Please check you have received the following with this document:

- a BLUE Form of Proxy for use at the Court Meeting;
- a PINK Form of Proxy for use at the Extraordinary General Meeting; and
- a GREEN Form of Proxy for use at the Independent Shareholders' Meeting.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE AND, IN ANY EVENT, PRIOR TO THE DEADLINES SET OUT ABOVE.

IF YOU ARE A HERITAGE SHAREHOLDER, YOUR ATTENTION IS DRAWN TO THE REGIME FOR THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY AND THE NOTES IN RESPECT OF THE APPOINTMENT OF MULTIPLE PROXIES SET OUT IN THE NOTICE OF THE COURT MEETING, THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING AND THE NOTICE OF THE INDEPENDENT SHAREHOLDERS' MEETING.

THE INDEPENDENT DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME AT THE COURT MEETING, THE SPECIAL RESOLUTION TO BE PROPOSED AT THE EXTRAORDINARY GENERAL MEETING AND IN FAVOUR OF THE BUCKINGHAM ARRANGEMENTS AT THE INDEPENDENT SHAREHOLDERS' MEETING.

If you have any questions relating to this document or the completion and return of the Forms of Proxy please call the Shareholder Helpline between 9:00 a.m. to 5:00 p.m. (London time) Monday to Friday (except UK public holidays) on:

0870 707 4040 (if calling from within the UK)

or +44 (0)870 707 4040 (if calling from outside the UK)

Calls to the Shareholder Helpline from within the UK are charged at 10 pence per minute (including VAT) plus network extras. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the operators cannot provide advice on the merits of the Scheme or the Acquisition or give financial, tax, investment or legal advice.

FORMS OF PROXY FOR VOTING AT THE COURT MEETING, THE EXTRAORDINARY GENERAL MEETING AND THE INDEPENDENT SHAREHOLDERS' MEETING

The Scheme requires approval at a meeting of the Independent Shareholders convened by order of the Court to be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, JE4 8PX, Jersey, Channel Islands. The Court Meeting is to be held at 9:00 a.m. on 23 June 2014. Implementation of the Scheme also requires the passing of the Special Resolution by Heritage Shareholders at the Extraordinary General Meeting to be held at 9:15 a.m. on 23 June 2014 (or as soon thereafter as the Court Meeting has concluded or been adjourned) as well as approval of the Buckingham Arrangements by Independent Shareholders at the Independent Shareholders' Meeting to be held at 9:30 a.m. on 23 June 2014 (or as soon thereafter as the Extraordinary General Meeting has concluded or been adjourned).

Heritage Shareholders

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Independent Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy as soon as possible and in any event so as to be received by Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom by:

BLUE Forms of Proxy for the Court Meeting – 9:00 a.m. on 21 June 2014

PINK Forms of Proxy for the Extraordinary General Meeting – 9:15 a.m. on 21 June 2014

GREEN Forms of Proxy for the Independent Shareholders' Meeting – 9:30 a.m. on 21 June 2014

or in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting. This will enable your votes to be counted at the Meetings in the event of your absence. A pre-paid envelope is provided for this purpose for use in the UK only.

Alternatively, if the BLUE Form of Proxy (but NOT PINK OR GREEN Forms of Proxy) is not lodged prior to the time and date mentioned above, it may be handed to a representative of Computershare at the venue of the Court Meeting or the Chairman of the Court Meeting before the start of the Court Meeting on 23 June 2014 and will still be valid. In the case of the Extraordinary General Meeting or Independent Shareholders' Meeting, unless a PINK or GREEN Form of Proxy (as applicable) is returned by the time and date mentioned in the instructions printed thereon, it will be invalid.

Proxy Appointment

Heritage Shareholders who are entitled to attend and vote at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting may appoint one or more proxies to attend, speak and vote instead of himself or herself provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. A proxy need not be a member of Heritage. Completion and return of a BLUE Form of Proxy will not prevent an eligible Heritage Shareholder from attending and voting at the Court Meeting or any adjournment thereof, in person should you wish to do so and are so entitled. However, completion and return of a PINK Form of Proxy and/or a GREEN Form of Proxy will, under the Articles of Association of Heritage, preclude holders of Ordinary Shares from attending and voting in person at the Extraordinary General Meeting and/or the Independent Shareholders' Meeting (as applicable) or any adjournments thereof unless the proxy is duly revoked at least one hour prior to the relevant Meeting. If a share is held by joint shareholders and more than one of the joint shareholders vote (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voter(s) on the register of members of Heritage.

Please note the appointment of a proxy or proxies is separate for the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

Multiple proxy voting instructions

Heritage Shareholders who wish to appoint more than one proxy in respect of their shareholding should photocopy the Forms of Proxy, indicate by ticking the box provided if the proxy is one of multiple instructions being given, fill in the name of the proxy and the number of shares in respect of which the proxy is appointed and return the multiple forms together (please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible) by the time and date mentioned above.

Heritage Shareholders holding shares in CREST

Heritage Shareholders who hold Ordinary Shares in CREST and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Court Meeting, the Extraordinary General Meeting and

the Independent Shareholders' Meeting and any adjournments thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (ID 3RA50) not later than 9:00 a.m. on 21 June 2014 in the case of the Court Meeting, not later than 9:15 a.m. on 21 June 2014 in the case of the Extraordinary General Meeting and not later than 9:30 a.m. on 21 June 2014 in the case of the Independent Shareholders' Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedure(s) in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed one or more voting service providers, to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Heritage may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Uncertificated Securities Order.

PRESENTATION OF INFORMATION

Presentation of Information

Currencies

All references in this document to “Pounds Sterling”, “Pounds”, “£”, “p” or “pence” are to the lawful currency of the United Kingdom, unless otherwise specified. All references in this document to “\$”, “Dollar(s)”, “dollar(s)”, “U.S.\$”, “U.S. cent(s)”, “US\$” and “US cent(s)” are to the lawful currency of the United States, unless otherwise specified. All references in this document to “Canadian dollar(s)”, “Cdn\$”, “C\$” or “Canadian cent(s)” are to the lawful currency of Canada, unless otherwise specified.

Percentages

Percentages in tables in this document have been rounded and, accordingly, may not add up to 100 per cent. Certain financial, statistical and operating data have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Time

All references to time in this document are references to the time in London, United Kingdom and Jersey, Channel Islands, unless otherwise stated.

Production Figures

All references in this document to “production” are to such stated production figures that are net to the Heritage Group unless specified otherwise.

Presentation of Reserves and Resources

All references to “reserves” and “resources” are to proved, probable and possible in the case of reserves and contingent and prospective in the case of resources.

Estimates of reserves, resources and associated net present values are forward-looking statements based on judgments regarding future events that may be inaccurate. The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. It should be noted that prospective and contingent resources relate to undiscovered and/or undeveloped accumulations and accordingly by their nature are highly speculative. There is a possibility that prospects and leads will not result in the discovery of economically recoverable resources in which case they would not be commercially developed. This document should be accepted with the understanding that reserves, resources and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material.

Reference to Defined Terms and Incorporation of Terms

Certain terms used in this document, including capitalised terms, are explained in Part IX of this document.

References to the singular include the plural and vice versa.

**PART I — LETTER FROM THE CHAIRMAN OF HERITAGE OIL PLC ON BEHALF OF THE
INDEPENDENT DIRECTORS**



(Incorporated in Jersey with registered number 99922)

Independent Directors

Michael Hibberd, *Chairman and Non-Executive Director*
Gregory Turnbull, QC, *Non-Executive Director*
John McLeod, *Non-Executive Director*
Carmen Rodriguez, *Non-Executive Director*
Mark Erwin, *Non-Executive Director*

Registered Office:

Ordnance House
31 Pier Road
St Helier
JE4 8PW
Jersey
Channel Islands

27 May 2014

To the holders of Ordinary Shares and, for information only, to participants in the Heritage Share Schemes

Dear Shareholder,

**RECOMMENDED ACQUISITION OF HERITAGE OIL PLC
BY ENERGY INVESTMENTS GLOBAL LTD
(A WHOLLY-OWNED SUBSIDIARY OF
AL MIRQAB CAPITAL SPC)**

1. INTRODUCTION

On 30 April 2014, Bidco announced that it had reached agreement with the Independent Directors on the terms of a recommended cash offer to be made by Bidco, a wholly-owned subsidiary of Al Mirqab (and references in this document to Al Mirqab should be read as referring to Al Mirqab and/or Bidco, together or individually as the context requires), for the entire issued and to be issued ordinary share capital of Heritage (other than the Retained Shares and the Excluded Shares). The Acquisition is being implemented by means of a scheme of arrangement pursuant to Article 125 of the Jersey Companies Law, which requires the approval of Independent Shareholders and the sanction of the Court.

Anthony Buckingham has not participated in the decision of the Independent Directors to recommend the Acquisition to the Independent Shareholders due to his involvement in the Buckingham Arrangements detailed in section 3 of this Part I of this document.

I am writing to you on behalf of the Independent Directors to explain (i) the background to and reasons for the Acquisition, (ii) why the Independent Directors unanimously consider the Acquisition and the Buckingham Arrangements to be fair and reasonable, and (iii) why the Independent Directors unanimously recommend that Heritage Shareholders vote in favour of the resolutions necessary to implement the Acquisition at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

Irrevocable undertakings to vote in favour of the Acquisition have been received by Bidco in respect of the Ordinary Shares under the control of the Independent Directors and Paul Atherton, representing a total of 6,471,070 Ordinary Shares, which represent in aggregate 2.3 per cent. of Heritage's issued ordinary share capital as at 23 May 2014, being the last practicable date before the date of this document. More details regarding these irrevocable undertakings are set out in section 3 of Part VIII of this document.

2. SUMMARY OF THE ACQUISITION

The Acquisition is to be implemented by means of a scheme of arrangement under Article 125 of the Jersey Companies Law and, therefore, the Acquisition will require the approval of Independent Shareholders at the Court Meeting (together

with the sanction of the Court) and the Independent Shareholders' Meeting and the approval of Heritage Shareholders at the Extraordinary General Meeting, notices of which are set out at the end of this document.

Under the terms of the Scheme (which will be subject to the Conditions set out in Part IV of this document), if it becomes effective:

Scheme Shareholders will receive 320 pence in cash from Al Mirqab in return for each Scheme Share.

The Acquisition values the entire issued and to be issued ordinary share capital of Heritage at approximately £924 million.

The Cash Price represents a premium of approximately:

- 25.2 per cent. to the Closing Price of 255.6 pence per Ordinary Share on 29 April 2014, being the last Business Day prior to the commencement of the Offer Period;
- 35.5 per cent. to the three month VWAP per Ordinary Share of 236.2 pence from 30 January 2014 to 29 April 2014, being the last Business Day prior to the commencement of the Offer Period; and
- 115.1 per cent. to the Closing Price of 148.8 pence per Ordinary Share on 31 December 2013.

Under the Scheme, the Acquisition is to be achieved principally by:

- (i) the transfer of the Scheme Shares held by Scheme Shareholders to Al Mirqab; and
- (ii) amending Heritage's articles of association to ensure that any Ordinary Shares issued after the Scheme Record Time will automatically be acquired by Al Mirqab.

The Scheme requires the approval of Independent Shareholders at the Court Meeting, Heritage Shareholders at the Extraordinary General Meeting, and Independent Shareholders at the Independent Shareholders' Meeting. You are strongly encouraged to vote at all of these Meetings in person or by proxy. As a result of the Buckingham Arrangements, Anthony Buckingham and Albion are deemed to be acting in concert with Al Mirqab and are not considered to be independent for the purposes of the City Code. Accordingly, Anthony Buckingham and Albion will not be entitled to vote on any resolutions at the Court Meeting or Independent Shareholders' Meeting.

The purpose of the Scheme is to provide for Al Mirqab to become owner of the whole of the issued and to be issued ordinary share capital of Heritage save for (i) the Retained Shares which will continue to be owned by Albion (a company beneficially owned by Anthony Buckingham) following completion of the Acquisition, as part of the Buckingham Arrangements, and (ii) the Excluded Shares.

The purpose of the Court Meeting is to allow Independent Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting.

The Extraordinary General Meeting has been convened to consider and, if thought fit, to pass the Special Resolution to: (i) authorise the Heritage Directors (excluding Anthony Buckingham) to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and (ii) approve certain amendments to Heritage's articles of association in accordance with the terms of the Scheme by a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting. At the Extraordinary General Meeting, voting will be by way of poll and each Heritage Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share.

The Independent Shareholders' Meeting has been convened to allow Independent Shareholders to consider and, if thought fit, to pass a resolution approving the Buckingham Arrangements by a vote in favour by a majority of the votes cast on a poll by Independent Shareholders (either in person or by proxy) at the Independent Shareholders' Meeting. Voting on the resolution to approve the Buckingham Arrangements at the Independent Shareholders' Meeting will be by way of poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share.

It is currently expected that (subject to the satisfaction or, as the case may be, the waiver of the Conditions) the Effective Date will be on or about 30 June 2014, although this date will depend on, among other things, the date of the Scheme Court Hearing.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend or vote at the Court Meeting, the Extraordinary General Meeting and/or the Independent Shareholders' Meeting. Further details of the Scheme, including the arrangements for settlement of the consideration payable to Scheme Shareholders, are set out in the Explanatory Statement contained in Part III of this document.

Subject to the satisfaction of all relevant conditions, applications will be made:

- to the UKLA for the cancellation of the listing of the Ordinary Shares (Symbol HOIL) on the Official List; and
- to the London Stock Exchange for the cancellation of the admission to trading of the Ordinary Shares on the Main Market,

and such cancellations are expected to take effect shortly after the Effective Date.

3. BUCKINGHAM ARRANGEMENTS

Anthony Buckingham and Albion (a company of which Anthony Buckingham is the beneficial owner), as at 29 April 2014, being the last Business Day prior to the commencement of the Offer Period, had a combined interest in approximately 34.06 per cent. of the current issued ordinary share capital of Heritage. On the assumption that the Remuneration Committee confirms that all performance criteria attaching to awards under the 2008 LTIP and the 2011 LTIP have been satisfied, Albion and Anthony Buckingham will, following vesting of such awards, have a combined interest in approximately 34.04 per cent of the fully diluted share capital of Heritage.

Al Mirqab believes that Anthony Buckingham's leadership has been critical to Heritage's development and success. Accordingly, Al Mirqab, Anthony Buckingham and Albion have entered into a set of agreements which document how the parties intend to work together following completion of the Acquisition. As part of the Buckingham Arrangements:

- Albion will agree to retain a 20 per cent. interest in the fully diluted ordinary share capital of Heritage for at least five years post the Effective Date;
- Albion will sell its remaining interest under the terms of the Acquisition, being approximately 9.41 per cent. of the fully diluted ordinary share capital of Heritage;
- Anthony Buckingham will sell his interest under the terms of the Acquisition, being (assuming all awards granted to Anthony Buckingham under the 2008 LTIP vest) approximately 4.63 per cent. of the fully diluted issued ordinary share capital of Heritage;
- Anthony Buckingham will agree to serve as an advisor to Heritage on an exclusive basis for a minimum of five years; and
- Albion will have the right to appoint one director out of seven to the Heritage Board.

The Buckingham Arrangements are set out in the Shareholders' Agreement and the Advisory Agreement, which are summarised in section 9 of Part III of this document.

The Acquisition is subject, *inter alia*, to the approval by Independent Shareholders of the Buckingham Arrangements at the Independent Shareholders' Meeting.

4. BACKGROUND TO, AND REASONS FOR, RECOMMENDING THE OFFER

Heritage has a proven track record of identifying, developing and monetising oil and gas assets internationally. Its long standing management team has been able to execute its strategy through a well balanced team with technical, corporate and finance skills, an appreciation of risks associated with the political backdrop and security position in the jurisdictions in which Heritage operates and seeks to operate, and a highly effective network of industry, political and institutional relationships.

Heritage demonstrated success with first mover advantage in territories such as Uganda and Kurdistan and has raised approximately \$2 billion from asset sales since 2000. In 2010, Heritage paid shareholders a special dividend of 100 pence per share.

In November 2012, in response to changing market dynamics, Heritage adapted its strategy to develop a balanced portfolio of production and exploration assets through the acquisition of a major interest in OML 30 in Nigeria. OML 30 has added material revenues and cash flow to Heritage and allowed it to refine its capital structure with a \$550 million reserves based lending facility entered into in June 2013. During 2013, Heritage's net share of revenue from its interest in OML 30 was \$431.9 million.

Since the acquisition of a major interest in OML 30, Heritage, with its Nigerian partner, Shoreline Power (through their local Nigerian company, Shoreline) along with the Nigerian Petroleum Development Company, as operator, have actively addressed an extensive maintenance backlog through a programme of refurbishment and replacement. In addition, Shoreline has proactively implemented community relations programmes to restart production in previously shut-in fields. The combination of these efforts has resulted in increased gross production, reaching over 50,000 bopd during the first quarter of 2014.

In addition to its production assets in Nigeria and Russia, Heritage has expanded its exploration portfolio by farming into four licences in Papua New Guinea, with plans to drill exploration prospects in PPL 319 and PPL 337 in Papua New Guinea and Rukwa and Kyela in Tanzania in 2014 - 2015.

While the Independent Directors believe in the future growth potential of Heritage in the long term, having considered the proposed terms of the Acquisition in light of the risks, particularly around the operational challenges to achieving targeted production growth, rewards and timescales associated with the realisation of value from Heritage's assets, they consider that the proposed terms of the Acquisition, including the Cash Price, provides Heritage Shareholders with an attractive and certain value.

Accordingly, the Independent Directors have concluded that the Acquisition is fair and reasonable and recommend unanimously that Heritage Shareholders vote in favour of the resolutions relating to the Acquisition at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

5. MANAGEMENT, EMPLOYEES AND LOCATIONS

Al Mirqab attaches great importance to the skills, knowledge and expertise of Heritage's existing management and employees. Al Mirqab has given assurances to the Heritage Directors that, if the Acquisition becomes or is declared unconditional in all respects, the existing employment rights of the employees of Heritage will be safeguarded. Al Mirqab has not undertaken detailed due diligence on Heritage's employment contracts, however, there is no current intention to change any of the terms and conditions of employment of any of the employees of Heritage outside of the ordinary course of business provided that such terms and conditions are in line with prevailing market conditions.

Following completion of the Acquisition, Al Mirqab will conduct a review of the Heritage Board, management and employee base to ensure this matches the ongoing requirements of the business. The composition of the Heritage Board will be subject to the requirements of the Shareholders' Agreement which currently provides that the Heritage Board will comprise seven directors of whom four will be appointed by Al Mirqab, two will be independent non-executives and one will be appointed by Albion.

Al Mirqab has no intention to change the major locations of the Heritage Group's places of business or to redeploy the Heritage Group's fixed assets. In particular, following completion of the Acquisition, Al Mirqab currently intends for the Heritage Group to maintain a principal office in Jersey and its European technical services centre in London.

Following completion of the Acquisition, Anthony Buckingham's continued interest in Heritage, as contemplated by the Buckingham Arrangements, is expected to enable the Heritage Group to take advantage of opportunities which are generated, or of which it becomes aware, as a result of Anthony Buckingham's extensive experience and reputation in the industry. Heritage has demonstrated historically an ability to add material value through exploration and subsequent asset monetisation, leading to significant returns for shareholders and it is Al Mirqab's intention for Heritage to maintain this strategy going forward. As at the date of this document, no specific new exploration, development or production opportunities have been agreed between Al Mirqab and Anthony Buckingham.

6. COURT MEETING, EXTRAORDINARY GENERAL MEETING AND INDEPENDENT SHAREHOLDERS' MEETING

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require the approval of Independent Shareholders at the Court Meeting, the passing of the Special Resolution by Heritage Shareholders at the Extraordinary General Meeting and the approval of the Buckingham Arrangements by Independent Shareholders at the Independent Shareholders' Meeting. Notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting are contained at the end of this document.

Further details of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting are contained in section 13.2 of Part III of this document.

7. ACTION TO BE TAKEN

You will find enclosed with this document:

- a BLUE Form of Proxy for use at the Court Meeting;
- a PINK Form of Proxy for use at the Extraordinary General Meeting; and
- a GREEN Form of Proxy for use at the Independent Shareholders' Meeting.

Forms of Proxy for use at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting should be completed and returned to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and should arrive not less than 48 hours before the time fixed for each of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

The time by which a person must be entered on the register of members in order to have the right to vote at the meetings is 6:00 p.m. on 21 June 2014 or, if such meetings are adjourned, are registered as holders of Ordinary Shares 48 hours before the time set for the adjourned meetings. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend and vote at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting. Completion and return of a BLUE Form of Proxy will not preclude holders of Ordinary Shares entitled to do so from attending and voting in person at the Court Meeting (or any adjournment thereof) should they so wish in respect of any Ordinary Shares for which no proxy has been appointed. However, completion and return of a PINK Form of Proxy and/or a GREEN Form of Proxy will, under the Articles of Association of Heritage, preclude holders of Ordinary Shares from attending and voting in person at the Extraordinary General Meeting and/or the Independent Shareholders' Meeting (as applicable) or any adjournments thereof unless the proxy is duly revoked at least one hour prior to the relevant Meeting. A summary of the action to be taken by the holders of the Ordinary Shares is set out on pages 9 to 11 of this document and in the accompanying notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

You may also deliver the Forms of Proxy by hand to Computershare during usual business hours. CREST members may also choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notices convening the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting at the end of this document.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of the Independent Shareholders. You are therefore strongly urged to sign and return your Forms of Proxy for all of the Meetings as soon as possible.

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call Heritage's Registrar, Computershare, on the Shareholder Helpline, on 0870 707 4040 or if telephoning from outside the United Kingdom on +44 (0)870 707 4040. Please note that the operators cannot provide advice on the merits of the Scheme or the Acquisition or give financial, tax, investment or legal advice.

Heritage Shareholders who are not in the United Kingdom or Jersey should refer to section 16 of Part III of this document. Details relating to settlement are included in section 14 of Part III of this document.

Notices convening the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting are set out at the end of this document.

The Scheme Court Hearing is scheduled to be held at 9 am on 27 June 2014 at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, JE1 1BA, Jersey, Channel Islands. Scheme Shareholders are entitled to attend and be heard at the Scheme Court Hearing.

8. HERITAGE SHARE SCHEMES

Information relating to the effect of the Scheme on participants in the Heritage Share Schemes is set out in section 11 of Part III of this document.

Letters will be sent to the participants in the Heritage Share Schemes explaining the impact of the Acquisition on their awards under such schemes.

9. CURRENT TRADING AND PROSPECTS OF THE HERITAGE GROUP

Heritage announced on 30 April 2014 its results for the twelve months ended 31 December 2013. All figures are in US dollars unless otherwise stated. A list of highlights is provided below:

- Production from OML 30, Nigeria, increased during the year and record gross production since acquisition, of over 50,000 bopd has been achieved;
- Maintenance work over OML 30 is progressing as planned;
- 2013 average production from the interest in OML 30, Nigeria, net to Heritage of 8,919 bopd and net production from Russia of 577 bopd;
- Total revenues, net to Heritage, for 2013 of \$431.9 million;
- Profit after tax from continuing operations of \$100.4 million, up 104 per cent. year-on-year;
- Heritage's cash at 31 December 2013 of \$183.8 million;
- 2014 production guidance from OML 30 and the Zapadno Chumpasskoye field, net to Heritage, is estimated in the range of between 14,500-18,000 bopd; and
- 2014 expected year end exit gross production rate from OML 30 between 65,000 and 70,000 bopd.

Subsequently, on 16 May 2014, Heritage published an interim management statement in respect of the period from 31 December 2013 to 15 May 2014. A list of highlights is provided below:

- Total revenues of \$50.4 million in the first quarter 2014, of which \$48.1 million was from Nigeria, and \$2.3 million was from Russia;
- Heritage cash of \$74.4 million, as at 31 March 2014;
- Average net daily production for the first three months of 2014 was 9,864 bopd, of which 9,216 bopd was from Nigeria, 33 per cent. higher than the same period in 2013, although 18 per cent. lower than Q4 2013, as a result of an enforced shut-in at a third party terminal where the crude is exported;
- Production in Russia for the first three months of 2014 averaged 648 bopd;
- Work programmes in Tanzania continued, with the processing of 2D seismic data on Rukwa which has identified several prospects in the Rukwa South licence area. A geochemical survey of the Kyela licence has been completed and interpretation of the data is proceeding;
- Work programmes in Papua New Guinea increased with the acquisition and processing of seismic and evaluation of legacy datasets; and
- As a result of an enforced shut-in in Nigeria during the first quarter of 2014, total production, net to Heritage, for 2014 is estimated in the range of 14,500-18,000 bopd.

10. TAXATION

Your attention is drawn to Part VII of this document. If you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the United Kingdom or Canada, you are strongly advised to consult an appropriate professional independent financial adviser immediately.

11. OVERSEAS SHAREHOLDERS

The availability of the Acquisition or the distribution of this document to Heritage Shareholders who are not resident in the UK or Jersey may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Heritage Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This document does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Heritage Shareholders are advised to read carefully this document and the Forms of Proxy. In particular,

overseas Heritage Shareholders should refer to the sections at the front of this document entitled “IMPORTANT NOTICE”, “INFORMATION FOR OVERSEAS SHAREHOLDERS” and “NOTICE TO US HOLDERS OF ORDINARY SHARES”, and to section 16 of Part III (*Explanatory Statement*) of this document.

12. DELISTING

It is intended that dealings in Ordinary Shares will be suspended at 5:00 p.m. (London time) on the Business Day prior to the date of the Scheme Court Hearing (such last day of dealings is expected to be 26 June 2014).

It is further intended that, at the appropriate time, applications will be made by Heritage to the UKLA to cancel the listing of the Ordinary Shares on the Official List and to the London Stock Exchange to cancel the admission to trading of the Ordinary Shares on the Main Market so that Ordinary Shares will cease to be listed on the Official List shortly after the Effective Date.

13. FURTHER INFORMATION

Your attention is drawn to the Explanatory Statement set out in Part III of this document, the full terms of the Scheme set out in Part IV of this document, the Additional Information set out in Part VIII of this document and the notices of the Meetings contained at the end of this document.

You should read the whole of this document and not rely solely on the information contained in this letter or the Explanatory Statement.

14. RESPONSIBILITY FOR CONSIDERING THE ACQUISITION

Following the completion of the Scheme, Albion will continue to own the Retained Shares.

By reason of his beneficial interest in Albion, Anthony Buckingham absented himself from all deliberations in connection with the Acquisition and a committee of the Heritage Board, comprising the Independent Directors, was established for the purpose of progressing and considering the Scheme and making the recommendation in relation to the Acquisition. Further, neither Anthony Buckingham nor Albion will vote at the Court Meeting or the Independent Shareholders’ Meeting in relation to the approval of the Scheme and the resolution to be proposed to approve the proposed Buckingham Arrangements. Only Independent Shareholders will be entitled to vote at the Court Meeting and the Independent Shareholders’ Meeting, but Anthony Buckingham and Albion have consented to be bound by the Scheme as Heritage Shareholders and to vote in favour of the Special Resolution at the Extraordinary General Meeting.

15. RECOMMENDATIONS AND VOTING INTENTIONS

The Independent Directors, who have been so advised by J.P. Morgan Cazenove, consider the terms of the Acquisition and the Buckingham Arrangements to be fair and reasonable. In providing its advice, J.P. Morgan Cazenove has taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors unanimously recommend that Heritage Shareholders vote in favour of the resolutions relating to the Acquisition at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders’ Meeting as all of the Independent Directors and Paul Atherton have irrevocably undertaken to do or procure in respect of their own beneficial (or otherwise controlled) holdings of 6,471,070 Ordinary Shares, which in aggregate represent approximately 2.3 per cent. of Heritage’s issued ordinary share capital as at 29 April 2014 (being the last Business Day before the commencement of the Offer Period).

Yours faithfully,



Michael J. Hibberd
Chairman
on behalf of the Independent Directors

PART II— SHAREHOLDER QUESTIONS AND ANSWERS

This Part II is designed to assist your understanding of the Acquisition. The contents of this Part II cannot be relied upon solely for a full and proper understanding of the Acquisition. You are advised to read the whole of this document.

1. What is being proposed?

As detailed in the announcement made by Bidco on 30 April 2014, Al Mirqab has reached agreement with the Independent Directors on the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Heritage (other than the Retained Shares and the Excluded Shares).

The Independent Directors have carefully considered the terms of the Acquisition and unanimously recommend that Heritage Shareholders vote in favour of the resolutions at the Meetings.

This document comprises the formal offer documentation in connection with the Acquisition and is being sent to you to explain in full the terms of the Acquisition, why the Independent Directors are recommending it, the choices available to you and the action you need to take.

2. What will be the effect of the Acquisition on my shares?

Under the terms of the Acquisition (which are set out in more detail in Part I and Part III of this document) if the Acquisition is completed, **Al Mirqab will pay you 320 pence in cash for each of your Scheme Shares.**

3. What does the Acquisition offer for my Heritage Shares compared to the market price of the Heritage Shares before the Acquisition was announced?

The offer price of 320 pence per Scheme Share represents a premium of approximately:

- 25.2 per cent. to the Closing Price of 255.6 pence per Ordinary Share on 29 April 2014, being the last Business Day prior to the commencement of the Offer Period;
- 35.5 per cent. to the three month VWAP per Ordinary Share of 236.2 pence from 30 January 2014 to 29 April 2014, being the last Business Day prior to the commencement of the Offer Period; and
- 115.1 per cent. to the Closing Price of 148.8 pence per Ordinary Share on 31 December 2013.

4. What is a scheme of arrangement?

A scheme of arrangement is a legal procedure which is commonly used to implement a takeover. The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of Heritage (other than the Retained Shares which will continue to be held by Albion under the Buckingham Arrangements, in relation to which, see question 11 below) and for Scheme Shareholders to receive the consideration under the terms of the Acquisition. The terms of the Scheme are set out in full in Part V of this Circular.

In order to become effective:

- the Scheme requires Independent Shareholders to approve the Scheme at the Court Meeting, which is convened by order of the Court. It is a legal requirement under Article 125 of the Jersey Companies Law;
- implementation of the Scheme requires the approval of Heritage Shareholders by the passing of the Special Resolution at the Extraordinary General Meeting;
- the Buckingham Arrangements require the separate approval of Independent Shareholders at the Independent Shareholders' Meeting; and
- following the Meetings referred to above, the Scheme needs to be sanctioned by the Court at the Scheme Court Hearing.

Further details in relation to the Meetings are set out in section 13.2 of Part III of this document.

In summary, under the terms of the Scheme, the Scheme Shares will be transferred to Bidco. In consideration for the transfer of the Scheme Shares, Al Mirqab will pay the Cash Price per Scheme Share to Scheme Shareholders.

If you do not vote at the Meetings, or you vote against the resolutions proposed at the Meetings, but the requisite majorities of Heritage Shareholders and Independent Shareholders (as applicable) vote in favour of those resolutions, you will be bound by the terms of the Acquisition regardless of whether (or how) you voted.

5. What is the recommendation of the Independent Directors?

The Independent Directors have concluded that the Acquisition is fair and reasonable and therefore unanimously recommend that Heritage Shareholders vote in favour of the resolutions relating to the Acquisition at the Meetings.

6. Why are the Independent Directors making this recommendation?

While the Independent Directors believe in the future growth potential of Heritage in the long term, having considered the proposed terms of the Acquisition in light of the risks, particularly around the operational challenges to achieving targeted production growth, rewards and timescales associated with the realisation of value from Heritage's assets, they consider that the proposed terms of the Acquisition, including the Cash Price, provides Heritage Shareholders with an attractive and certain value.

7. Who are the Independent Shareholders?

Independent Shareholders are all the shareholders of Heritage, other than Anthony Buckingham and Albion (a company beneficially owned by Anthony Buckingham).

8. When and where are the Meetings?

Each of the Meetings has been convened for 23 June 2014, and will be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands.

The Court Meeting has been convened for 9:00 a.m. on 23 June 2014.

The Extraordinary General Meeting has been convened for 9:15 a.m. on 23 June 2014, or as soon thereafter as the Court Meeting has concluded or been adjourned.

The Independent Shareholders' Meeting has been convened for 9:30 a.m. on 23 June 2014, or as soon thereafter as the Extraordinary General Meeting has concluded or been adjourned.

9. Who can attend and vote at the Meetings and what is the quorum for the Meetings?

All Heritage Shareholders may attend and vote at the Extraordinary General Meeting. Only the Independent Shareholders may attend and vote at the Court Meeting and the Independent Shareholders' Meeting.

The quorum for the Extraordinary General Meeting is two Heritage Shareholders, and the quorum for the Independent Shareholders' Meeting is two Independent Shareholders, in each case validly present in person or by proxy at the relevant Meeting holding at least 25 per cent. of the voting rights attaching to the issued share capital of Heritage.

10. How many Heritage Shares are entitled to vote?

The voting share capital for the Extraordinary General Meeting will be 277,925,878 Ordinary Shares (other than the Excluded Shares held by Heritage).

However, in relation to the Court Meeting and the Independent Shareholders' Meeting, Albion and Anthony Buckingham, who in aggregate have an interest in 94,669,850 Ordinary Shares, will not vote, and as such the voting share capital for the purposes of the Court Meeting and the Independent Shareholders' Meeting will be 183,256,028 Ordinary Shares.

11. What are the Buckingham Arrangements?

The Buckingham Arrangements are a set of agreements which document how Al Mirqab, Anthony Buckingham and Albion (a company beneficially owned by Anthony Buckingham) intend to work together following completion of the Acquisition. As part of the Buckingham Arrangements, in summary:

- Albion will agree to retain a 20 per cent. interest in the fully diluted ordinary share capital of Heritage for at least five years post the Effective Date;
- Anthony Buckingham will agree to serve as an advisor to Heritage on an exclusive basis for a minimum of five years; and

- Albion will have the right to appoint one director out of seven to the Heritage Board.

As a result of the arrangements summarised above, Anthony Buckingham and Albion are deemed to be “acting in concert” with Al Mirqab for the purposes of the City Code and are therefore not considered to be independent for the purposes of the City Code. Accordingly, Anthony Buckingham and Albion will not be entitled to vote on any resolutions at the Court Meeting (which has been convened to approve the Scheme) or the Independent Shareholders’ Meeting (which has been convened to approve the Buckingham Arrangements). However, Anthony Buckingham and Albion have consented to be bound by the Scheme as Heritage Shareholders and to vote in favour of the Special Resolution at the Extraordinary General Meeting.

In addition, Anthony Buckingham (in his capacity as a Heritage Director) absented himself from all deliberations in connection with the Acquisition and a committee of the Heritage Board, comprising the Independent Directors, was established for the purpose of progressing and considering the Scheme and making the recommendation in relation to the Acquisition.

12. When will the Acquisition be completed, and how will I know if the Acquisition will go ahead?

It is expected that Heritage will make an announcement to a Regulatory Information Service confirming that the Scheme has become effective and the Acquisition has been completed on or around 30 June 2014.

13. What is Al Mirqab?

Al Mirqab is an investment vehicle which is indirectly and beneficially owned by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani and his family in a private capacity. For further information on Al Mirqab, please see section 7 of Part III of this document.

14. What is Bidco?

Bidco is a wholly-owned subsidiary of Al Mirqab formed for the purposes of the Acquisition. For further information on Bidco, please see section 7 of Part III of this document.

15. Who is soliciting my proxy?

Your proxy is being solicited by the management of Heritage. This document is furnished in connection with that solicitation. While it is anticipated that the solicitation of proxies by management of Heritage will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of Heritage. Heritage may also retain a proxy solicitation firm to solicit proxies on its behalf by telephone, electronic mail or by facsimile.

16. Do I need to vote?

Your vote is important. In particular, the Court needs to be satisfied that there is a fair and reasonable representation of the opinion of Independent Shareholders at the Court Meeting.

Heritage Shareholders are therefore urged to complete, sign and return ALL Forms of Proxy as soon as possible.

17. What is the hurdle of votes required at each Meeting to approve the Acquisition?

At the Court Meeting, voting will be by way of poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share held by them. The approval required at the Court Meeting is a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting.

At the Extraordinary General Meeting, voting will be by way of poll and each Heritage Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share held by them. The approval required at the Extraordinary General Meeting is a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting.

At the Independent Shareholders’ Meeting, voting will be by way of poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share held by them. The approval required at the Independent Shareholders’ Meeting is a majority of the votes cast on a poll by Independent Shareholders (either in person or by proxy) at the Independent Shareholders’ Meeting.

18. When is the cut-off time for delivery of a Form of Proxy?

The BLUE Form of Proxy in respect of the Court Meeting should be completed and returned to Computershare as soon as possible and should arrive no later than 9:00 a.m. on 21 June 2014. However, if the BLUE Form of Proxy is not lodged prior to this time and date, it may be handed to a representative of Computershare at the venue of the Court Meeting or the Chairman of the Court Meeting before the start of the Court Meeting and will still be valid.

The PINK Form of Proxy in respect of the Extraordinary General Meeting to be valid must be completed and returned to Computershare as soon as possible and should arrive no later than 9:15 a.m. on 21 June 2014. If the PINK Form of Proxy is not returned by this time and date, it will be invalid.

The GREEN Form of Proxy in respect of the Independent Shareholders' Meeting to be valid must be completed and returned to Computershare as soon as possible and should arrive no later than 9:30 a.m. on 21 June 2014. If the GREEN Form of Proxy is not returned by this time and date, it will be invalid.

19. What if I return my Form of Proxy but do not mark it to show how I wish to vote?

If on the Forms of Proxy you do not mark: (i) any of the "For" "Against" or "Vote Withheld" boxes in respect of the Extraordinary General Meeting and/or the Independent Shareholders' Meeting; and/or (i) either of the "For" or "Against" boxes in respect of the Court Meeting, your Heritage Shares will not be counted in the calculation of the votes "For" and "Against" the relevant resolutions. You must therefore ensure that all Forms of Proxy are fully completed before being returned to Computershare.

20. Can I change my vote after I submit a signed Form of Proxy?

To change your proxy instructions simply submit a new proxy appointment using the methods set out in the notice of the relevant Meeting set out at the back of this document. Note that the cut-off times for receipt of proxy appointments (see question 18 above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom, or on 0870 707 4040 (if calling from within the UK) or +44 (0)870 707 4040 (if calling from outside the UK).

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

21. How will the votes be counted at the Meetings?

At the Meetings, votes cast (either in person at the relevant Meeting or by proxy) for and against each resolution will be counted by Computershare, the Company's registrar.

22. Will I get shares in Bidco or Al Mirqab?

You will not receive shares in Bidco or Al Mirqab.

23. When and how will I receive my consideration?

Once the Acquisition is completed, Al Mirqab will post a cheque or credit the CREST system as soon as practicable but not later than 14 days after the date the Scheme becomes effective, which is expected to be on or around 30 June 2014. For further information see section 14 of Part III of this document.

24. Do I need to send in my Heritage certificate(s) in respect of my existing Heritage Shares?

As a result of the Scheme, the Heritage Shares represented by your Heritage share certificate(s) will be transferred to Bidco and your Heritage share certificate(s) will no longer be valid. Under the terms of the Scheme, Heritage may, on request and following the Effective Date of the Scheme, require you to either (i) deliver your share certificate(s) back to Heritage for cancellation; or (ii) destroy your Heritage share certificate(s). You will be contacted separately if this will be required.

25. Should I send my share certificate(s) now?

No. You should only send in your Heritage share certificate(s) if requested to do so by Heritage.

26. Will Heritage be delisted from the London Stock Exchange, and if so, when will this happen?

It is intended that applications will be made by Heritage to the UKLA to cancel the listing of the Ordinary Shares on the Official List and to the London Stock Exchange to cancel the admission to trading of the Ordinary Shares on the Main Market, so that Ordinary Shares will cease to be listed on the Official List shortly after the Effective Date.

27. What if I am resident outside of the United Kingdom or Jersey?

If you are resident outside of the United Kingdom or Jersey, or a national or citizen of a jurisdiction outside of the United Kingdom or Jersey, you should read section 16 of Part III of this document.

28. What are the tax consequences of the Acquisition?

The tax consequences of the Acquisition will depend on your individual circumstances. Certain aspects of the expected tax consequences for Heritage Shareholders who are resident for tax purposes or, in the case of individual shareholders, are domiciled in the United Kingdom or Canada are set out in Part VII of this document. You should consult an appropriate independent professional financial adviser immediately to discuss the taxation consequences of the Acquisition being implemented.

29. What if I hold Heritage Shares in a PEP or ISA?

Your PEP/ISA manager should notify you how the Acquisition affects your PEP/ISA. If you require further details, you should contact your PEP/ISA manager accordingly.

30. I am an employee of Heritage – what is Al Mirqab's intentions for current employees?

Al Mirqab attaches great importance to the skills, knowledge and expertise of Heritage's existing management and employees. Al Mirqab has given assurances to the Heritage Directors that, if the Acquisition becomes or is declared unconditional in all respects, the existing employment rights of the employees of Heritage will be safeguarded. Al Mirqab has not undertaken detailed due diligence on Heritage's employment contracts, however, there is no current intention to change any of the terms and conditions of employment of any of the employees of Heritage outside of the ordinary course of business provided that such terms and conditions are in line with prevailing market conditions.

Al Mirqab has no intention to change the major locations of the Heritage Group's places of business or to redeploy the Heritage Group's fixed assets. In particular, following completion of the Acquisition, Al Mirqab currently intends for the Heritage Group to maintain a principal office in Jersey and its European technical services centre in London.

31. What if I participate in the Heritage Share Schemes?

You will be written to separately with respect to your awards under the Heritage Share Schemes. See section 11 of Part III of this document.

32. Are there any conditions to the Acquisition?

Yes there are. Please see Part IV of this document.

33. Can I sell my Heritage Shares?

Dealings in Heritage Shares on the Main Market will continue until the Business Day prior to the Scheme Court Hearing. If you sell your Heritage Shares before 6:00 p.m. on the day which is two days before the date of the Court Meeting your vote will not count and any Forms of Proxy you have submitted will cease to have any effect.

34. What if I have further questions?

Please call the helpline shown below. For legal reasons, the helpline will not provide advice on the merits of the Scheme or the Acquisition or give any financial, tax, investment or legal advice. For financial, tax, investment or legal advice, you will need to consult an appropriate independent professional adviser.

FOR FURTHER INFORMATION

A Shareholder Helpline is available between 9:00 a.m. and 5:00 p.m. (London time) Monday to Friday (except UK public holidays) on 0870 707 4040 (if calling from within the UK) or +44 (0)870 707 4040 (if calling from outside the UK).

Calls to the Shareholder Helpline from within the UK are charged at 10 pence per minute (including VAT) plus network extras. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the operators cannot provide advice on the merits of the Scheme or the Acquisition or give financial, tax, investment or legal advice.

PART III — EXPLANATORY STATEMENT

(in compliance with Article 126 of the Jersey Companies Law)

J.P.Morgan CAZENOVE

To the holders of Ordinary Shares and, for information only, to participants in the Heritage Share Schemes

Dear Shareholder,

RECOMMENDED ACQUISITION OF HERITAGE OIL PLC BY ENERGY INVESTMENTS GLOBAL LTD (A WHOLLY-OWNED SUBSIDIARY OF AL MIRQAB CAPITAL SPC)

1. INTRODUCTION

On 30 April 2014, Bidco announced that it had reached agreement with the Independent Directors on the terms of a recommended cash offer to be made by Bidco, a wholly-owned subsidiary of Al Mirqab (and references in this document to Al Mirqab should be read as referring to Al Mirqab and/or Bidco together or individually as the context requires), for the entire issued and to be issued ordinary share capital of Heritage (other than the Retained Shares and the Excluded Shares). The Acquisition is being implemented by means of a scheme of arrangement pursuant to Article 125 of the Jersey Companies Law, which requires the approval of Independent Shareholders and the sanction of the Court.

Your attention is drawn to the letter from Michael Hibberd, the Chairman of Heritage, on behalf of the Independent Directors, set out in Part I of this document, which forms part of this Explanatory Statement. That letter contains, *inter alia*, the unanimous recommendation by the Independent Directors to Heritage Shareholders to vote in favour of the resolutions to approve and implement the Scheme to be proposed at the Court Meeting and the Extraordinary General Meeting and in favour of the resolution to approve the Buckingham Arrangements to be proposed at the Independent Shareholders' Meeting. That letter also states that the Independent Directors, who have been so advised by J.P. Morgan Cazenove, consider the terms of the Acquisition and the Buckingham Arrangements to be fair and reasonable. In providing its advice, J.P. Morgan Cazenove has taken into account the Independent Directors' commercial assessments.

Statements made in this letter which refer to the recommendation of the Independent Directors reflect the views of the Independent Directors.

The terms of the Scheme are set out in full in Part V of this document. Your attention is also drawn to the additional information set out in Part VIII of this document.

2. THE ACQUISITION

The Acquisition is to be implemented by means of a scheme of arrangement under Article 125 of the Jersey Companies Law and, therefore, the Acquisition will require the approval of Independent Shareholders at the Court Meeting (together with the sanction of the Court) and the Independent Shareholders' Meeting and the approval of Heritage Shareholders at the Extraordinary General Meeting, notices of which are set out at the end of this document.

Under the terms of the Scheme (which will be subject to the Conditions set out in Part IV of this document), if it becomes effective:

Scheme Shareholders will receive 320 pence in cash from Al Mirqab in return for each Scheme Share.

The Acquisition values the entire issued and to be issued ordinary share capital of Heritage at approximately £924 million.

The Cash Price represents a premium of approximately:

- 25.2 per cent. to the Closing Price of 255.6 pence per Ordinary Share on 29 April 2014, being the last Business Day prior to the commencement of the Offer Period;
- 35.5 per cent. to the three month VWAP per Ordinary Share of 236.2 pence from 30 January 2014 to 29 April 2014, being the last Business Day prior to the commencement of the Offer Period; and

- 115.1 per cent. to the Closing Price of 148.8 pence per Ordinary Share on 31 December 2013.

3. RECOMMENDATION

The Independent Directors, who have been so advised by J.P. Morgan Cazenove, consider the terms of the Acquisition and the Buckingham Arrangements to be fair and reasonable. In providing its advice, J.P. Morgan Cazenove has taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors have unanimously recommended that Heritage Shareholders vote in favour of the resolutions relating to the Acquisition at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting as all of the Independent Directors and Paul Atherton have irrevocably undertaken to do or procure in respect of their own beneficial (or otherwise controlled) holdings of 6,471,070 Ordinary Shares, which in aggregate represent approximately 2.3 per cent. of Heritage's issued ordinary share capital as at 29 April 2014 (being the last Business Day before the commencement of the Offer Period).

4. BACKGROUND TO, AND REASONS FOR, THE ACQUISITION

Heritage has a proven track record of identifying, developing and monetising oil and gas assets internationally. Its long standing management team has been able to execute its strategy through a well balanced team with technical, corporate and finance skills, an appreciation of risks associated with the political backdrop and security position in the jurisdictions in which Heritage operates and seeks to operate, and a highly effective network of industry, political and institutional relationships.

Heritage demonstrated success with first mover advantage in territories such as Uganda and Kurdistan and has raised approximately \$2 billion from asset sales since 2000. In 2010, Heritage paid shareholders a special dividend of 100 pence per share.

In November 2012, in response to changing market dynamics, Heritage adapted its strategy to develop a balanced portfolio of production and exploration assets through the acquisition of a major interest in OML 30 in Nigeria. OML 30 has added material revenues and cash flow to Heritage and allowed it to refine its capital structure with a \$550 million reserves based lending facility entered into in June 2013. During 2013, Heritage's net share of revenue from its interest in OML 30 was \$431.9 million.

Since the acquisition of a major interest in OML 30, Heritage, with its Nigerian partner, Shoreline Power (through their local Nigerian company, Shoreline) along with the Nigerian Petroleum Development Company, as operator, have actively addressed an extensive maintenance backlog through a programme of refurbishment and replacement. In addition, Shoreline has proactively implemented community relations programmes to restart production in previously shut-in fields. The combination of these efforts has resulted in increased gross production, reaching over 50,000 bopd during the first quarter of 2014.

In addition to its production assets in Nigeria and Russia, Heritage has expanded its exploration portfolio by farming into four licences in Papua New Guinea, with plans to drill exploration prospects in PPL 319 and PPL 337 in Papua New Guinea and Rukwa and Kyela in Tanzania in 2014 - 2015.

While the Independent Directors believe in the future growth potential of Heritage in the long term, having considered the proposed terms of the Acquisition in light of the risks, particularly around the operational challenges to achieving targeted production growth, rewards and timescales associated with the realisation of value from Heritage's assets, they consider that the proposed terms of the Acquisition, including the Cash Price, provides Heritage Shareholders with an attractive and certain value.

Accordingly, the Independent Directors have concluded that the Acquisition is fair and reasonable and recommend unanimously that Heritage Shareholders vote in favour of the resolutions relating to the Acquisition at the Court Meeting, the Extraordinary General Meeting and in favour of the resolution relating to the Buckingham Arrangements at the Independent Shareholders' Meeting.

5. IRREVOCABLE UNDERTAKINGS

Anthony Buckingham and Albion (a company beneficially owned by Anthony Buckingham) have irrevocably undertaken to vote in favour of the resolutions at the Extraordinary General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept such Takeover Offer) and not to accept any competing offer. Anthony Buckingham and Albion have provided irrevocable undertakings in respect of in aggregate 94,669,850 Ordinary Shares, which represent approximately 34 per cent. of Heritage's issued ordinary share capital as at 29 April 2014 (being the last Business Day before the commencement of the Offer Period). The undertakings from Anthony Buckingham and

Albion will remain binding even if a higher competing offer for the entire issued and to be issued ordinary share capital of Heritage is made until 5:00 p.m. (London Time) on the Long Stop Date. These irrevocable undertakings cease to be binding on the earlier of the (a) Long Stop Date and (b) the occurrence of one of the following: (i) the Scheme is cancelled or withdrawn and Al Mirqab does not announce a Takeover Offer within 21 days of such cancellation or withdrawal; or (ii) the Scheme or any Takeover Offer lapses in accordance with its terms. Further details regarding these undertakings are set out in section 3 of Part VIII of this document.

In addition, all of the Independent Directors and Paul Atherton have irrevocably undertaken to vote or procure a vote in favour of the resolutions relating to the Scheme at the Court Meeting and the Extraordinary General Meeting and the resolution to approve the Buckingham Arrangements at the Independent Shareholders' Meeting in respect of their own beneficial (or otherwise controlled) holdings of 6,471,070 Ordinary Shares, which in aggregate represent approximately 2.3 per cent. of Heritage's issued ordinary share capital as at 29 April 2014 (being the last Business Day before the commencement of the Offer Period). The undertakings will remain binding if a higher competing offer for the entire issued and to be issued ordinary share capital of Heritage is made. These irrevocable undertakings cease to be binding on the earlier of the (a) Long Stop Date and (b) the occurrence of one of the following: (i) the formal documents setting out the terms and conditions of the Scheme (or of a Takeover Offer) are not posted to Heritage Shareholders by 15 June 2014; (ii) the Scheme is cancelled or withdrawn and Al Mirqab does not announce at the same time a Takeover Offer; (iii) the required proportions of Heritage Shareholders do not vote in favour of the Scheme at the Meetings; or (iv) the Scheme or any Takeover Offer lapses in accordance with its terms. Further details regarding these undertakings are set out in section 3 of Part VIII of this document.

6. INFORMATION RELATING TO HERITAGE

6.1 General

Heritage was incorporated on 6 February 2008 in Jersey under the Jersey Companies Law, as a company limited by shares with the name Heritage Oil Limited and registered number 99922. Heritage changed its name to Heritage Oil Plc at an annual meeting of shareholders held on 18 June 2009.

Heritage has a Premium Listing on the Official List of the UK Listing Authority and is admitted to trading on the Main Market. It is a constituent of the FTSE 250 Index.

Heritage is an independent upstream exploration and production company engaged in the exploration for, and the development, production and acquisition of, oil and gas internationally.

Heritage has producing assets in Nigeria and Russia and exploration assets in Tanzania, Papua New Guinea, Malta, Libya and Pakistan.

6.2 Nigeria

In November 2012, Shoreline completed the acquisition of a 45 per cent. interest in OML 30 and other assets owned under a JOA for OML 30. OML 30 lies onshore in the Niger Delta in one of the most prolific oil provinces in the world with oil and gas contained in numerous stacked reservoirs. The licence covers 1,097 square kilometres and includes nine producing fields. Since the acquisition, Shoreline has actively addressed an extensive maintenance backlog through a programme of refurbishment and replacement. In addition Shoreline has proactively implemented community relations programmes to restart production in previously shut in fields.

Production in the first quarter of 2014 has averaged approximately 9,216 bopd net to Heritage. Production in the first quarter of 2014, however, has been impacted as result of a leak on the undersea tanker loading pipeline at the Forcados crude oil terminal in March 2014. This stopped export shipments for approximately one month thereby forcing OML 30 to shut-in for a similar time once storage had reached capacity. The terminal resumed shipments in early April, and operations recommenced in OML 30. RPS Energy Consultants Limited, in an independent evaluation, estimated that OML 30 contains proved and probable reserves of 347 MMBbls of oil net to the Heritage Group as at 31 March 2012.

6.3 Russia

Heritage holds a 95 per cent. interest in the Zapadno Chumpasskoye licence located in the hydrocarbon-rich West Siberian province of KhantyMansiysk. The licence covers an area of approximately 200 square kilometres and contains the Zapadno Chumpasskoye Field. A total of 13 wells have been drilled on the licence including four by Heritage. RPS Energy Consultants Limited, in an independent evaluation, estimated that Zapadno Chumpasskoye contains proved and probable reserves of 65 MMBbls of oil net to the Heritage Group as at 31 March 2012.

6.4 ***Papua New Guinea***

Heritage has recently expanded its portfolio in Papua New Guinea with the farm-in to two licences with Kina Petroleum Limited, PPL 337 and PPL 437, in October 2013, building upon the position established in April 2013 with the farm-in to PPL 319 and PRL 13 with Esrey Energy Limited. The licences are typically located in known hydrocarbon bearing regions and close to current infrastructure. Work programmes on PPL 319 and PRL 13 commenced immediately with the acquisition of the first 62 kilometres of seismic data in PPL 319 over the Tuyuwopi structure confirming a drilling location and plans are underway to drill the prospect in 2014. On PPL 337 two wells are proposed to be drilled this year; one located at the Raintree prospect and the second located on or adjacent to the Banam anticline. Detailed well planning is on-going.

6.5 ***Tanzania***

Heritage holds a 100 per cent. working interest and is operator of the Rukwa and Kyela South licences. Focused interpretation over the retained Rukwa South Licence area has resulted in the identification of several prospects that are considered to be geologically analogous to the Kingfisher discovery in Uganda, for which detailed prospect mapping and evaluation is ongoing. In the Kyela licence interpretation of the data from the geochemical survey is proceeding to schedule. A drilling programme across the two licences is planned for 2014/2015.

6.6 ***Malta***

Heritage holds a 100 per cent. working interest and is operator of Areas 2 and 7 in the south-eastern offshore region, which show geologic similarities to areas offshore to Libya and Tunisia which contain producing fields. Well planning continues which will enable the drilling of an identified prospect in Area 7 once necessary government approvals have been granted and the international boundary agreed.

6.7 ***Libya***

In August 2011, Heritage acquired a controlling 51 per cent. interest in Sahara Oil Services Holdings Limited (“**Sahara Oil**”), which owns the entire share capital of Sahara Oil Services Limited in Libya. Sahara Oil was established in 2009 and has been granted long-term licences to provide full oil field services in Libya, including the ability to drill onshore and offshore and hold both oil and gas licences. The dialogue with parties in country that would enable Heritage to participate in the rehabilitation of the hydrocarbons sector is ongoing and Heritage believes it is well placed to play a significant role in the future development of the oil and gas industry in Libya.

6.8 ***Pakistan***

Heritage has 54 per cent. and 48 per cent. working and operator interests in the Sanjawi and Zamzama North licenses respectively. The Sanjawi onshore exploration licence covers a gross area of 2,258 sq. km. The Zamzama North license covers an area of 1,229 sq. km.

7. INFORMATION ON THE AL MIRQAB GROUP

7.1 ***Information on Al Mirqab***

Al Mirqab is an investment vehicle which is indirectly and beneficially owned by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani and his family in a private capacity. His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani is the sole director of Al Mirqab. Al Mirqab is a single person company (SPC) incorporated under Qatari law. An SPC is a limited liability company owned by a single shareholder. Al Mirqab's registered address is at Al Wajba Palace, Dukhan Road, PO Box 4044, Doha, Qatar.

His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani has significant investments across the world, in particular in Qatar, Europe and the United States of America. Investments are focused in the banking and finance, real estate, hospitality, industrials, energy, consumer and retail sectors.

His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani served as Prime Minister of Qatar, from 2007 to 2013, and as foreign minister of Qatar from 1992 to 2013. He has also served as chief executive and chairman of the Qatar Investment Authority.

Al Mirqab does not publish any financial reports or financial information. There is no information about Al Mirqab's financial position or performance in the public domain.

7.2 ***Information on Bidco***

Bidco is a newly incorporated company formed for the purpose of the Acquisition and wholly-owned by Al Mirqab Capital. Bidco is incorporated under the BVI Business Companies Act (2004) and has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition and the financing of the Acquisition. His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al Thani is the sole director of Bidco.

Bidco's registered address is at the offices of Intertrust Corporate Services (BVI) Limited, 171 Main Street, Road Town, Tortola, VG1110, British Virgin Islands.

8. **AL MIRQAB'S INTENTIONS AND STRATEGIC PLANS FOR HERITAGE**

8.1 ***Al Mirqab's strategic plans for Heritage***

Al Mirqab's philosophy is to invest prudently in quality assets and management teams whom it believes can deliver compelling long term returns. Al Mirqab considers an acquisition of Heritage to be consistent with this philosophy.

The acquisition of Heritage is also a means to access a high growth, producing asset base in Nigeria and a diverse international exploration portfolio. Al Mirqab has very high regard for the Heritage management team and their track record of value creation through exploration and acquisitions, leading to significant returns for shareholders. The acquisition of Heritage provides Al Mirqab with a platform to develop and expand Heritage's existing portfolio of production and exploration assets through the acceleration of the existing exploration and development programmes, together with the acquisition or participation in future licensing opportunities.

Following completion of the Acquisition, Anthony Buckingham's continued interest in Heritage, as contemplated by the Buckingham Arrangements, is expected to enable the Heritage Group to take advantage of opportunities which are generated, or of which it becomes aware, as a result of Anthony Buckingham's extensive experience and reputation in the industry. As at the date of this document, no specific new exploration, development or production opportunities have been agreed between Al Mirqab and Anthony Buckingham.

Al Mirqab believes that the Acquisition provides an opportunity to continue the successful development of Heritage's business under Al Mirqab's long term, committed and supportive equity ownership.

8.2 ***Al Mirqab's intentions for Heritage's management, employees and locations of business***

Al Mirqab attaches great importance to the skills, knowledge and expertise of Heritage's existing management and employees. Al Mirqab has given assurances to the Heritage Directors that, if the Acquisition becomes or is declared unconditional in all respects, the existing employment rights of the employees of Heritage will be safeguarded. Al Mirqab has not undertaken detailed due diligence on Heritage's employment contracts, however, there is no current intention to change any of the terms and conditions of employment of any of the employees of Heritage outside of the ordinary course of business provided that such terms and conditions are in line with prevailing market conditions.

Following completion of the Acquisition, Al Mirqab will conduct a review of the Heritage Board, management and employee base to ensure this matches the ongoing requirements of the business. The composition of the Heritage Board will be subject to the requirements of the Shareholders' Agreement which currently provides that the Heritage Board will comprise seven directors of whom four will be appointed by Al Mirqab, two will be independent non-executives and one will be appointed by Albion.

Al Mirqab has no intention to change the major locations of the Heritage Group's places of business or to redeploy the Heritage Group's fixed assets. In particular, following completion of the Acquisition, Al Mirqab currently intends for the Heritage Group to maintain a principal office in Jersey and its European technical services centre in London.

9. **BUCKINGHAM ARRANGEMENTS**

Anthony Buckingham and Albion (a company of which Anthony Buckingham is the beneficial owner), as at 29 April 2014, being the last Business Day prior to the commencement of the Offer Period, had a combined interest in approximately 34.06 per cent. of the current issued ordinary share capital of Heritage. On the assumption that the Remuneration Committee confirms that all performance criteria attaching to awards under the 2008 LTIP and the 2011

LTIP have been satisfied, Albion and Anthony Buckingham will, following vesting of such awards, have a combined interest in approximately 34.04 per cent of the fully diluted share capital of Heritage.

Al Mirqab believes that Anthony Buckingham's leadership has been critical to Heritage's development and success. Accordingly, Al Mirqab, Anthony Buckingham and Albion have entered into a set of agreements which document how the parties intend to work together following completion of the Acquisition. As part of the Buckingham Arrangements:

- Albion will agree to retain a 20 per cent. interest in the fully diluted ordinary share capital of Heritage for at least five years post the Effective Date;
- Albion will sell its remaining interest under the terms of the Acquisition, being approximately 9.41 per cent. of the fully diluted ordinary share capital of Heritage;
- Anthony Buckingham will sell his interest under the terms of the Acquisition, being (assuming all awards granted to Anthony Buckingham under the 2008 LTIP vest) approximately 4.63 per cent. of the fully diluted ordinary share capital of Heritage;
- Anthony Buckingham will agree to serve as an advisor to Heritage on an exclusive basis for a minimum of five years; and
- Albion will have the right to appoint one director out of seven to the Heritage Board.

The Buckingham Arrangements are set out in:

(a) *Shareholders' Agreement*

On 29 April 2014, Al Mirqab and Albion entered into the Shareholders' Agreement (to take effect subject to completion of the Acquisition) regulating their relationship as shareholders of Heritage following completion of the Acquisition. Pursuant to the terms of the Shareholders' Agreement, the parties agree to continue to expand the business of Heritage in terms of upstream oil and gas exploration, development and production activities in all areas of the world. Additionally, the Shareholders' Agreement contains provisions:

- that the Heritage Board will comprise seven directors of whom four will be appointed by Al Mirqab, two will be independent non-executives and one will be appointed by Albion (so long as it is at least a 5 per cent. shareholder of Heritage);
- that the parties shall exercise all voting rights to ensure that certain reserved matters do not occur without the prior unanimous consent of the parties or by their appointed directors. The reserved matters include changing the nature of the Company's business, entering into agreements with non-arm's length parties, causing Heritage to make a loan or incur indebtedness (except in connection with the business), amending the Articles and winding up Heritage;
- setting forth that it is the intention of the parties that Heritage shall pay an annual dividend to the shareholders of up to 50 per cent. of the available profits of Heritage in each such year after ensuring that there is sufficient working capital for future operations;
- restricting the transfer of Ordinary Shares including a restriction on transfer by Albion of any of its Ordinary Shares or any interest in any of its Ordinary Shares for a period of five years from the Effective Date other than, inter alia, to certain permitted transferees or following a change of control of Al Mirqab or a decrease of Al Mirqab's shareholding in Heritage to 50 per cent. or less of the voting rights attached to shares in the capital of Heritage or pursuant to tag along (in favour of Albion) and drag along (in favour of Al Mirqab upon Al Mirqab determining to sell all of its Ordinary Shares) rights;
- that any purported sale or transfer of Ordinary Shares to any person that is not an affiliate of such party or is not otherwise a permitted transferee (including a transfer resulting by way of a change of control of either party), and subject to the transfer restriction referred to above, will trigger a right of first refusal on the part of the non-transferring party, except that in the case of Al Mirqab, any transfer of Ordinary Shares by Al Mirqab to any person will only trigger such right of first refusal on the part of Albion if such transfer results in Al Mirqab holding less than or equal to 50 per cent. of the voting rights attached to the Ordinary Shares; and

- that restrict each party's ability to engage in any capacity in any business competing with Heritage or to be concerned or interested directly or indirectly in more than 30 per cent. of any business or entity competing with Heritage.

(b) *Advisory Agreement*

Al Mirqab and Anthony Buckingham have agreed to the form of an advisory agreement to be entered into by Anthony Buckingham and Heritage following completion of the Acquisition. The Advisory Agreement shall be for an initial fixed period of five years and shall continue thereafter unless and until either party serves on the other at least six months prior written notice of termination.

Under the Advisory Agreement, Anthony Buckingham shall provide to Heritage strategic advice and assistance to the board of directors of Heritage in pursuing Heritage's objectives of continuing and expanding the business of upstream oil and gas exploration, development and production activities. Heritage shall pay a fixed fee to Anthony Buckingham at a rate of £166,667 per calendar month plus expenses, as well as providing other benefits including life and health insurance coverage.

Anthony Buckingham will also covenant to Heritage that during the term of the Advisory Agreement he shall not be engaged in any capacity in any business competing with Heritage or be concerned or interested directly or indirectly in more than 30 per cent. of any business or entity competing with Heritage. Any intellectual property rights developed by Anthony Buckingham in the course of performing his advisory duties will be the property of Heritage.

An indemnity is provided by each of Heritage and Anthony Buckingham to the other party from losses related to performing the services described in the agreement.

The Acquisition is subject, *inter alia*, to the approval by Independent Shareholders of the Buckingham Arrangements at the Independent Shareholders' Meeting.

10. THE DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

Details of the interests of the Heritage Directors in the share capital of Heritage are set out in section 5 of Part VIII of this document. Except in respect of the Retained Shares, Ordinary Shares held or to be held by Heritage Directors (including any Ordinary Shares transferred or issued to Heritage Directors following vesting of any awards under the Heritage Share Schemes) will be subject to the Scheme.

Particulars of the service contracts (including termination provisions) and letters of appointment of the Heritage Directors are set out in section 7 of Part VIII of this document.

The Heritage Directors, including Anthony Buckingham, have given irrevocable undertakings to Al Mirqab on the basis described in section 5 of this Part III. Save for the irrevocable undertakings described in section 5 of this Part III and section 3 of Part VIII and for the Buckingham Arrangements described in section 9 of this Part III, the effect of the Scheme on the Heritage Directors does not differ from its effect on the like interests of any other person.

11. HERITAGE SHARE SCHEMES

The Scheme will represent a vesting event for the 2008 LTIP and 2011 LTIP awards under the Heritage Share Schemes on the sanction of the Scheme at the Scheme Court Hearing.

The effect of the Scheme on existing 2008 LTIP and 2011 LTIP awards under the Heritage Share Schemes is summarised below. All Ordinary Shares transferred or issued on the vesting of awards on or prior to the Scheme Record Time will be subject to the terms of the Scheme.

Letters will be sent to the participants in the Heritage Share Schemes explaining the impact of the Acquisition on their awards under such schemes.

11.1 2008 LTIP

Given that the Scheme will represent a vesting event for the outstanding 2008 LTIP awards to the extent that any Performance Condition attaching to such award has been satisfied, under the 2008 LTIP, participants in the 2008 LTIP may, to the extent permitted under the terms of any such Performance Condition, participate in the Scheme in respect of Ordinary Shares vesting prior to the Scheme Record Time.

Pursuant to the terms of the 2008 LTIP, the Remuneration Committee will determine in its sole discretion the extent to which any Performance Condition attaching to awards under the 2008 LTIP have been satisfied. To the extent that any such Performance Condition has not been satisfied, such awards under the 2008 LTIP will lapse.

11.2 **2011 LTIP**

Given that the Scheme will represent a vesting event for the outstanding 2011 LTIP awards to the extent that any Performance Condition attaching to such award has been satisfied, under the 2011 LTIP, participants in the 2011 LTIP may, to the extent permitted under the terms of any such Performance Condition, participate in the Scheme in respect of Ordinary Shares vesting prior to the Scheme Record Time.

Pursuant to the terms of the 2011 LTIP, the Remuneration Committee will determine in its sole discretion the extent to which any Performance Condition attaching to awards under the 2011 LTIP have been satisfied. To the extent that any such Performance Condition has not been satisfied, such awards under the 2011 LTIP will lapse.

12. **FINANCING THE ACQUISITION**

The cash consideration payable to Scheme Shareholders pursuant to the Acquisition will be funded from Al Mirqab's cash resources.

Bidco is currently undertaking a review of its financing options, which may include introduction of debt at Bidco level. The discussions in this regard are at a very early stage and it is unclear at this time whether any such arrangements will be formalised between the date of this document and the Effective Date.

Deutsche Bank, financial adviser to Al Mirqab, is satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to Scheme Shareholders pursuant to the Acquisition.

13. **STRUCTURE OF THE ACQUISITION**

13.1 **Introduction**

The Acquisition is to be effected by means of a scheme of arrangement between Heritage and the Scheme Shareholders under Article 125 of the Jersey Companies Law, the provisions of which are set out in full in Part V of this document. This procedure involves an application by Heritage to the Court to sanction the Scheme and the transfer of the Scheme Shares, in consideration for which the Scheme Shareholders will receive cash (as described in section 14 of this Part III).

The purpose of the Scheme is to provide for Al Mirqab to become owner of the whole of the issued and to be issued ordinary share capital of Heritage save for (i) the Retained Shares which will continue to be beneficially owned by Albion (a company beneficially owned by Anthony Buckingham) following completion of the Acquisition, as part of the Buckingham Arrangements, and (ii) the Excluded Shares.

The Scheme will become effective only if, among other things, the following events occur:

- (i) a resolution to approve the Scheme is passed by a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting;
- (ii) the Special Resolution necessary to implement the Scheme, is passed by Heritage Shareholders representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting; and
- (iii) a resolution to approve the Buckingham Arrangements is passed by Independent Shareholders representing a majority of the votes cast on a poll (either in person or by proxy) at the Independent Shareholders' Meeting.

The Scheme must be sanctioned by the Court and will become effective in accordance with its terms only on delivery of the Scheme Court Order to the Registrar of Companies. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meetings.

The last day of dealings in, and for registration of transfers of, Ordinary Shares will be the last Business Day prior to the Scheme Court Hearing Date (such last day of dealings is expected to be 26 June 2014), following which the Ordinary Shares will be suspended from the Official List and from the Main Market.

Subject to the satisfaction of all relevant conditions, applications will be made:

- to the UKLA for the cancellation of the listing of the Ordinary Shares (symbol HOIL) on the Official List; and
- to the London Stock Exchange for the cancellation of the admission to trading of the Ordinary Shares on the Main Market,

and such cancellations are expected to take effect shortly after the Effective Date.

13.2 *The Meetings*

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require the approval of Independent Shareholders at the Court Meeting, the passing of the Special Resolution by Heritage Shareholders at the Extraordinary General Meeting and the approval of the Buckingham Arrangements by Independent Shareholders at the Independent Shareholders' Meeting. Notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting are contained at the end of this document. All Independent Shareholders, in the case of the Court Meeting and the Independent Shareholders' Meeting, and all Heritage Shareholders, in the case of the Extraordinary General Meeting, who are registered as holders of Ordinary Shares at 6:00 p.m. on 21 June 2014 or, if such meetings are adjourned, are registered as holders of Ordinary Shares 48 hours before the time set for the adjourned meetings, shall be entitled to attend and vote at the relevant meeting in respect of the number of Ordinary Shares registered in their name at the relevant time.

(a) *The Court Meeting*

The Court Meeting, which has been convened for 9:00 a.m. on 23 June 2014, is being held at the direction of the Court to seek the approval of Independent Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share. The approval required at the Court Meeting is a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Independent Shareholder opinion.

(b) *The Extraordinary General Meeting*

In addition, the Extraordinary General Meeting has been convened for 9:15 a.m. on 23 June 2014, or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Special Resolution to:

- amend Heritage's articles of association to ensure that any Ordinary Shares issued after the Scheme Record Time will automatically be acquired by Al Mirqab; and
- authorise the Heritage Directors (excluding Anthony Buckingham) to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect,

by a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting. At the Extraordinary General Meeting, voting will be by way of poll and each Heritage Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share.

(c) *The Independent Shareholders' Meeting*

The Independent Shareholders' Meeting has been convened for 9:30 a.m. on 23 June 2014, or as soon thereafter as the Extraordinary General Meeting has concluded or been adjourned, for the Independent Shareholders to consider and, if thought fit, to approve the Buckingham Arrangements by a vote in favour by a majority of the votes cast on a poll by Independent Shareholders (either in person or by

proxy) at the Independent Shareholders' Meeting. Voting on the resolution to approve the Buckingham Arrangements at the Independent Shareholders' Meeting will be by way of poll and each Independent Shareholder present in person or by proxy will be entitled to one vote for each Ordinary Share.

13.3 *Conditions to the Acquisition*

The Conditions to the Acquisition are set out in full in Part IV of this document. In summary, the implementation of the Scheme is conditional upon:

- (a) its approval by a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before the 45th day after the expected date of the Court Meeting as set forth in section 13.2(a) of this Part III (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (b) all resolutions necessary to approve and implement the Scheme being duly passed by a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting or at any adjournment of that meeting on or before the 45th day after the expected date of the Extraordinary General Meeting as set forth in section 13.2(b) of this Part III (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (c) the resolution to approve the Buckingham Arrangements being duly passed by a vote in favour by a majority of the votes cast on a poll by Independent Shareholders (either in person or by proxy) at the Independent Shareholders' Meeting or at any adjournment of that meeting on or before the 45th day after the expected date of the Independent Shareholders' Meeting as set forth in section 13.2(c) of this Part III (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (d) the sanction of the Scheme by the Court with or without modification (subject to any such modification which is not of a minor, technical or administrative nature being on terms acceptable to both Al Mirqab and Heritage); and
- (e) the delivery of the Scheme Court Order to the Registrar of Companies for registration.

13.4 *Sanction of the Scheme by the Court*

Under the Jersey Companies Law, the Scheme also requires the sanction of the Court. The hearing by the Court to sanction the Scheme is expected to be held on 27 June 2014. Al Mirqab has confirmed that it will be represented by counsel at the hearing so as to consent to the Scheme and to undertake to the Court to be bound thereby.

The Scheme will be effective in accordance with its terms on delivery of the Scheme Court Order to the Registrar of Companies, which is expected to take place on 30 June 2014.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the Extraordinary General Meeting or in favour of the Buckingham Arrangements at the Independent Shareholders' Meeting. If the Scheme does not become effective by the Long Stop Date (or such later date (if any) as Al Mirqab and Heritage agree and, if required, the Court may allow) the Scheme will lapse and the Acquisition will not complete.

The Scheme Court Hearing is scheduled to be held at 9 am on 27 June 2014 at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, JE1 1BA, Jersey, Channel Islands. Scheme Shareholders are entitled to attend and be heard at the Scheme Court Hearing.

13.5 *Delisting and re-registration*

It is intended that dealings in Ordinary Shares will be suspended at 5:00 p.m. (London time) on the Business Day prior to the date of Scheme Court Hearing (such last day of dealings expected to be 26 June 2014).

It is further intended that, at the appropriate time, applications will be made by Heritage to the UKLA to cancel the listing of the Ordinary Shares on the Official List and to the London Stock Exchange to cancel the admission

to trading of the Ordinary Shares on the Main Market so that Ordinary Shares will cease to be listed on the Official List shortly after the Effective Date.

It is also intended that, following the Effective Date, Heritage will be re-registered as a private company in accordance with the Jersey Companies Law.

14. SETTLEMENT

Subject to the Scheme becoming effective, settlement of the cash consideration to which the holders of Scheme Shares are entitled will be effected within 14 days of the Effective Date (except with the consent of the Panel) in the manner set out below.

14.1 *Cash consideration when Scheme Shares are held in uncertificated form (in CREST)*

Scheme Shareholders who hold Ordinary Shares in uncertificated form will receive any cash consideration to which they are entitled through CREST by Al Mirqab procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated shares in respect of the cash consideration due to him within 14 days of the Effective Date (except with the consent of the Panel).

Al Mirqab reserves the right to settle all or any part of the cash consideration in the manner referred to in section 14.2 below if, for reasons outside its reasonable control, it is not able to effect settlement in uncertificated form in accordance with this section 14.1.

14.2 *Cash consideration where Scheme Shares are held in certificated form*

Settlement of cash consideration due under the Scheme in respect of Ordinary Shares held in certificated form shall be despatched:

- by first class post, by a cheque drawn on a branch of a UK clearing bank; or
- by such other method as may be approved by the Panel.

All such cash payments shall be made in pounds sterling. Payment made by cheque shall be payable to the Scheme Shareholders concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of Heritage in respect of the joint holding concerned. Cheques shall be despatched as soon as practicable after the Effective Date and in any event within 14 days thereof (except with the consent of the Panel).

14.3 *Share certificates and dividend mandates*

With effect from, and including, the Effective Date:

- all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of Heritage to deliver up the same for cancellation to Heritage, or, as Heritage may direct, to destroy the same;
- Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- as regards certificated Scheme Shares, appropriate entries will be made in the register of members of Heritage with effect from the Effective Date to reflect their transfer; and
- mandates in force relating to the payment of dividends and other instructions given by the Scheme Shareholders in respect of their Scheme Shares will be deemed revoked.

14.4 *Unclaimed monies*

Any cheques which are issued by Al Mirqab to any Scheme Shareholder relating to the Cash Price payable pursuant to the Scheme, and which remain uncashed for a period of twelve months following the Effective Date, shall be cancelled and the proceeds held by an independent trustee on trust for the relevant untraceable shareholders for a period of six years. During this period, any Scheme Shareholder who can prove to the reasonable satisfaction of Al Mirqab that they are entitled to the proceeds held on trust will be able to recover

such monies, less any expenses. Following the expiry of this period, Al Mirqab will be released from holding any such monies on trust for any untraceable shareholders, and such monies will revert to Al Mirqab.

15. TAXATION

Your attention is drawn to Part VII of this document. If you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the United Kingdom or Canada, you are strongly advised to consult an appropriate professional independent financial adviser immediately.

16. OVERSEAS SHAREHOLDERS

The implications of the Scheme and the Acquisition for Overseas Persons may be affected by the laws of the relevant jurisdictions. Overseas Persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Person to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Further details in relation to Overseas Persons are contained in the sections at the front of this document entitled “IMPORTANT NOTICE”, “INFORMATION FOR OVERSEAS PERSONS” and “NOTICE TO US HOLDERS OF ORDINARY SHARES”.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom and Jersey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and Jersey should inform themselves about, and should observe, any applicable requirements. In particular the ability of Overseas Persons to vote their Ordinary Shares at the Extraordinary General Meeting or the Independent Shareholders' Meeting or with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at a Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such requirements by any person.

This document has been prepared for the purposes of complying with Jersey law, the Listing Rules and the City Code and the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.

Heritage is a reporting issuer in the Canadian provinces of British Columbia, Alberta and Ontario. However, Heritage has disclosed publicly that it is a “designated foreign issuer” within the meaning of NI 71-102, and as such it satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation provided it complies with the requirements in Section 5.7 of NI 71-102, including, *inter alia*, complying with the foreign disclosure requirements relating to proxy statements, proxies and proxy solicitation. Furthermore, as of 30 April 2014, the date of the announcement of the proposed Acquisition, Ordinary Shares (and securities convertible into Ordinary Shares) held by beneficial owners in Canada constituted less than two per cent of the outstanding Ordinary Shares of Heritage. Accordingly, although Heritage is a reporting issuer in the aforementioned jurisdictions, this document has not been prepared in accordance with disclosure requirements applicable in Canada.

Heritage has also received discretionary relief from the applicable securities regulators in Canada for relief from NI 51-101. The effect of this relief is that while Heritage is a reporting issuer in Canada, it is not required to comply with the oil and gas disclosure requirements of NI 51-101, and this document was not prepared in accordance with such requirements.

16.1 Notice to US Holders of Ordinary Shares

US Holders should note that the Acquisition relates to the shares of a Jersey company and is being made by means of a scheme of arrangement provided for under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in Jersey to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Al Mirqab exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom and/or Jersey that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US Holder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Heritage and Al Mirqab are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Al Mirqab or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ordinary Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-markets/markets/prices.htm>

17. ACTION TO BE TAKEN

Forms of Proxy for use at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting should be completed and returned to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible and should arrive not less than 48 hours before the time fixed for each of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

The time by which a person must be entered on the register of members in order to have the right to vote at the Meetings is 6:00 p.m. on 21 June 2014. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend and vote at the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting. Completion and return of a BLUE Form of Proxy will not preclude holders of Ordinary Shares entitled to do so from attending and voting in person at the Court Meeting (or any adjournment thereof) should they so wish in respect of any Ordinary Shares for which no proxy has been appointed. However, completion and return of a PINK Form of Proxy and/or a GREEN Form of Proxy will, under the Articles of Association of Heritage, preclude holders of Ordinary Shares from attending and voting in person at the Extraordinary General Meeting and/or the Independent Shareholders' Meeting (as applicable) or any adjournments thereof unless the proxy is duly revoked at least one hour prior to the relevant Meeting.

A summary of the actions to be taken by the holders of Ordinary Shares is set out on pages 9 to 11 of this document and in the accompanying notices of the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting.

You may also deliver the Form of Proxy by hand to Computershare at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom during usual business hours. CREST members may also choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notice convening the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders' Meeting at the end of this document.

18. FURTHER INFORMATION

Your attention is drawn to the full terms of the Scheme set out in Part V of this document, the Additional Information set out in Part VIII of this document and the notices of the Meetings contained at the end of this document.

You should read the whole of this document and not rely solely on the information contained in this Explanatory Statement or the Letter from the Chairman of Heritage, on behalf of the Independent Directors.

Yours faithfully,

Barry Weir

J.P. Morgan Cazenove

PART IV — CONDITIONS TO THE IMPLEMENTATION OF THE ACQUISITION

PART A: CONDITIONS OF THE SCHEME AND ACQUISITION

1. CONDITIONS OF THE SCHEME

The Acquisition is conditional on the Scheme becoming unconditional and becoming effective by no later than the Long Stop Date, or such later date (if any) as Al Mirqab and Heritage may (with the consent of the Panel) agree and (if required) the Court may allow.

1.1 The Scheme will be conditional upon:

- (a) its approval by a majority in number representing at least three-fourths of the voting rights of Independent Shareholders present and voting (either in person or by proxy) at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before the 45th day after the expected date of the Court Meeting as set forth in section 13.2(a) of Part III of this document (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (b) all resolutions necessary to approve and implement the Scheme being duly passed by a vote in favour representing at least two-thirds of the votes cast on a poll (either in person or by proxy) at the Extraordinary General Meeting or at any adjournment of that meeting on or before the 45th day after the expected date of the Extraordinary General Meeting as set forth in section 13.2(b) of Part III of this document (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (c) the resolution to approve the Buckingham Arrangements being duly passed by a vote in favour by a majority of the votes cast on a poll by Independent Shareholders (either in person or by proxy) at the Independent Shareholders' Meeting or at any adjournment of that meeting on or before the 45th day after the expected date of the Independent Shareholders' Meeting as set forth in section 13.2(c) of Part III of this document (or such later date, if any, as Al Mirqab and Heritage may agree and the Court may allow);
- (d) the sanction of the Scheme by the Court with or without modification (subject to any such modification which is not of a minor, technical or administrative nature being on terms acceptable to both Al Mirqab and Heritage); and
- (e) the delivery of the Scheme Court Order to the Registrar of Companies for registration.

2. CONDITIONS TO THE ACQUISITION

In addition, Al Mirqab and Heritage have agreed that the Acquisition will be conditional upon the following matters and, accordingly, the necessary actions to make the Acquisition effective will not be taken unless such conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

- 2.1 except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Heritage Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Scheme or the Acquisition or otherwise, would or might reasonably be expected, to an extent which is material in the context of the Wider Heritage Group taken as a whole, to result in:
- (a) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date, or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (b) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action of an adverse nature being taken or arising thereunder;
 - (c) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged other than in the ordinary course of business;

- (d) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (e) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (f) the financial or trading position or prospects of any such member being prejudiced or adversely affected;
- (g) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (h) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Heritage Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, is likely to result in any of the events or circumstances as are referred to in sub-sections 2.2(a) to 2.2(h) of these Conditions to an extent which is material in the context of the Wider Heritage Group taken as a whole;

2.2 no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each, a **“Third Party”**) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might be expected to:

- (a) require the divestiture by any member of the Wider Al Mirqab Group or by any member of the Wider Heritage Group of all or any portion of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof to an extent which is material in the context of the Wider Al Mirqab Group or the Wider Heritage Group (as the case may be), in each case taken as a whole and provided that in the case of any requirement affecting the Wider Al Mirqab Group, such requirement is conditional on or related to the Acquisition;
- (b) require the divestiture by any member of the Wider Al Mirqab Group of any shares or other securities in Heritage;
- (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Al Mirqab Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership of shares or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Heritage Group or to exercise management control over any member of the Wider Heritage Group to an extent which is material in the context of the Wider Heritage Group taken as a whole;
- (d) otherwise materially and adversely affect the business, assets, profits or prospects of the Wider Al Mirqab Group or the Wider Heritage Group taken as a whole (provided that in the case of any material adverse effect on the Wider Al Mirqab Group, such material adverse effect is a result of the Acquisition);
- (e) make the Scheme or its implementation or the Acquisition or the acquisition of control of Heritage void, illegal, and/or unenforceable, or otherwise directly or indirectly restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose material additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith to an extent which is material in the context of the Acquisition or the Wider Heritage Group;
- (f) require any member of the Wider Al Mirqab Group or the Wider Heritage Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Heritage Group or the Wider Al Mirqab Group owned by any third party;
- (g) impose any limitation on the ability of any member of the Wider Heritage Group to co-ordinate its business, or any part of it, with the businesses of any other members, or

- (h) save as a consequence of the Acquisition, result in any member of the Wider Heritage Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference having expired, lapsed or been terminated;

- 2.3 all necessary filings or applications having been made in connection with the Scheme and all appropriate waiting periods under any applicable statutory or regulatory obligations in any jurisdiction having expired, lapsed or been terminated in each case in respect of the Acquisition or the acquisition by Al Mirqab Group of control of Heritage and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals (“**Authorisations**”) necessary or appropriate for or in respect of the Acquisition, or the acquisition of control of, Heritage by Al Mirqab Group having been obtained in terms and in a form satisfactory to Al Mirqab (acting reasonably) from all appropriate Third Parties or persons with whom any member of the Wider Heritage Group has entered into contractual arrangements and all such Authorisations together with all Authorisations necessary or appropriate to carry on the business of any member of the Wider Heritage Group remaining in full force and effect and there being no notice of any intention to revoke or not to renew any of the same at the Effective Date and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- 2.4 except as Disclosed, no member of the Wider Heritage Group having, since 31 December 2013:
 - (a) save as between Heritage and wholly-owned subsidiaries of Heritage or for Ordinary Shares issued pursuant to the granting of awards or the exercise of options granted under the Heritage Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
 - (b) save as between Heritage and wholly-owned subsidiaries of Heritage or for the grant of options or awards made under the Heritage Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (c) other than to another member of the Heritage Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus (other than in the ordinary course of business), dividend or other distribution, whether payable in cash or otherwise;
 - (d) save for intra-Heritage Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and which is material on the context of the Heritage Group taken as a whole;
 - (e) save for intra-Heritage Group transactions, made or authorised or proposed or announced an intention to propose any material change in its loan capital;
 - (f) issued, authorised or proposed the issue of any debentures or (save for intra-Heritage Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability which is material in the context of the Heritage Group taken as a whole;
 - (g) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-section 2.4(d) or 2.4(f) above, made any other change to any part of its share capital;
 - (h) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any service contract with any director or employee of Heritage, which is material in the context of the Heritage Group taken as a whole;
 - (i) entered into or varied or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude or which is restrictive on the businesses of any member of the Wider Heritage Group taken as a whole;

- (j) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction, or had any such person appointed;
- (k) waived or compromised any claim, which is material in the context of the Wider Heritage Group;
- (l) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (m) having made or agreed or consented to any change to:
 - (i) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Heritage Group for its directors, employees or their dependants;
 - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
- (n) proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme provided by the Wider Heritage Group: or
- (o) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Heritage Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code, and, for the purposes of sub-sections 2.4(c) to 2.4(f) of these Conditions, the term Heritage Group shall mean Heritage and its wholly-owned subsidiaries;

2.5 except as Disclosed or as disclosed in the accounts for the year ended 31 December 2013;

- (a) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Heritage Group which in any such case is material in the context of the Wider Heritage Group taken as a whole;
- (b) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Heritage Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Heritage Group having been instituted, announced or threatened by or against or remaining outstanding which in any case would reasonably be expected to have a material adverse effect on the Wider Heritage Group taken as a whole;
- (c) no contingent or other liability having arisen which would reasonably be expected to adversely affect any member of the Wider Heritage Group in a manner which is material in the context of the Wider Heritage Group taken as a whole; and
- (d) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Heritage Group which is necessary for the proper carrying on of its business in all material respects; and

2.6 save as Disclosed, Al Mirqab not having discovered:

- (a) that any financial, business or other information concerning the Wider Heritage Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Heritage Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;

- (b) that any member of the Wider Heritage Group is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Heritage for the year ended 31 December 2013 and which is material in the context of the Heritage Group taken as a whole;
- (c) that any past or present member of the Wider Heritage Group has paid or agreed to pay any bribe including any “inducement fee”, given or agreed to give any similar gift or benefit or paid or agreed to pay to a concealed bank account or fund to or for the account of, any customer, supplier, governmental official or employee, representative of a political party, or other person for the purpose of obtaining or retaining business or otherwise engaged in any activity, done such things (or omitted to do such things) in contravention of the UK Bribery Act 2010; or
- (d) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material obligation or liability (whether actual or contingent) on the part of any member of the Wider Heritage Group (in any case to an extent which is material in the context of the Wider Heritage Group as a whole).

Al Mirqab reserves the right to waive, in whole or in part, all or any of Conditions above, except for Conditions 1.1(a), 1.1(b), 1.1(d) and 1.1(e).

Conditions 1.1(a) and 1.1(b) must be fulfilled by, and Condition 1.1(c) fulfilled or waived by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse. Al Mirqab shall be under no obligation to waive or treat as satisfied Condition 1.1(c) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

If Al Mirqab is required by the Panel to make a Takeover Offer for Ordinary Shares under the provisions of Rule 9 of the City Code, Al Mirqab may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

The Acquisition will lapse and the Scheme will not proceed if the Acquisition is referred to the UK's Competition and Markets Authority or, as the case may be, a reference is made initiating a Phase 2 investigation, or the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a reference to the UK's Competition and Markets Authority before the time of the Court Meeting or, if Al Mirqab elects to implement the Acquisition by way of a Takeover Offer, before 3:00 p.m. (London time) on the first closing date of the Takeover Offer or the date on which the Takeover Offer becomes or is declared unconditional as to acceptances, whichever is the later.

Al Mirqab reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer. In such event, such Acquisition will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) a condition that the Takeover Offer is accepted by the holders of at least 90 per cent. of the number of ordinary shares to which the Acquisition relates (or such lower percentage as Al Mirqab may decide or the Panel may require, being more than 50 per cent.).

The availability of the Acquisition to persons not resident in the United Kingdom or Jersey may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or Jersey should inform themselves about and observe any applicable requirements.

The Scheme will be governed by Jersey law and be subject to the jurisdiction of the Jersey courts, to the Conditions set out above and, otherwise, in this document (provided that no modifications may be made to the Conditions set out above without the consent of Heritage) and related Forms of Proxy. The Acquisition will be subject to the applicable requirements of the City Code, the Panel and the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and any other applicable laws or regulations.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART B: CERTAIN FURTHER TERMS OF THE SCHEME

Ordinary Shares which will be acquired under the Scheme will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the commencement of the Offer Period.

PART V — THE SCHEME OF ARRANGEMENT

**ROYAL COURT OF JERSEY
SAMEDI DIVISION**

File No.: 2014/152

**IN THE MATTER OF
HERITAGE OIL PLC
AND THE MATTER OF
THE COMPANIES (JERSEY) LAW 1991
SCHEME OF ARRANGEMENT
(under Article 125 of the Companies (Jersey) Law 1991)
between
HERITAGE OIL PLC
and
THE HOLDERS OF SCHEME SHARES
(as hereinafter defined)**

PRELIMINARY

A. In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings

“£”, “Sterling”, “pence” or “p”	the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“Acquisition”	the proposed acquisition of the entire issued, and to be issued, share capital of Heritage (other than the Retained Shares and the Excluded Shares) by Al Mirqab to be effected by means of the Scheme or (should Al Mirqab so elect, subject to the consent of the Panel) by way of the Takeover Offer
“Albion”	Albion Energy Limited, a legal and beneficial shareholder of 84,915,340 Ordinary Shares of Heritage, whose share capital is beneficially owned by Anthony Buckingham
“Al Mirqab”	Al Mirqab Capital SPC, incorporated in the State of Qatar with registered number 21831
“Al Mirqab Group”	Al Mirqab, its parent undertaking and its subsidiary undertakings and the subsidiary undertakings of such parent undertaking
“Bidco”	Energy Investments Global Ltd, incorporated in the British Virgin Islands with registered number 1821077
“Business Day”	a day (other than a Saturday, Sunday or public or bank holiday) on which banks are generally open for business in London and Jersey
“Cash Price”	the 320 pence payable by Bidco to the Scheme Shareholders in respect of each Scheme Share held by them at the Scheme Record

	Time in accordance with the terms of the Acquisition
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Court”	the Royal Court of Jersey
“Court Meeting”	the meeting of the Independent Shareholders convened by order of the Court pursuant to Article 125 of the Jersey Companies Law for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Order) in respect of which Euroclear is the Operator (as defined in the Uncertificated Securities Order) in accordance with which securities may be held and transferred in uncertificated form
“Effective Date”	the date upon which this Scheme becomes effective in accordance with its terms
“Euroclear”	Euroclear UK & Ireland Limited
“Excluded Shares”	the Ordinary Shares held by Heritage in treasury at the Effective Date
“Extraordinary General Meeting”	the extraordinary general meeting of Heritage Shareholders to be convened in connection with the Scheme, including any adjournment thereof
“Heritage”	Heritage Oil Plc, incorporated in Jersey with registered number 99922, whose registered office is at Ordnance House, 31 Pier Road, St. Helier, JE4 8PW, Jersey and whose place of business is at Fourth Floor, Windward House, Route de la Liberation, St. Helier, JE2 3BQ, Jersey
“Heritage Shareholders”	holders of Ordinary Shares from time to time
“Independent Shareholders”	all of the holders of Ordinary Shares from time to time, other than Anthony Buckingham and Albion
“Jersey Companies Law”	the Companies (Jersey) Law 1991, and the regulations promulgated thereunder as each may be amended from time to time
“Meetings”	the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders’ Meeting, together or individually as the context requires
“Ordinary Shares”	ordinary shares of no par value in the capital of Heritage
“Panel”	the Panel on Takeovers and Mergers
“Registrar of Companies”	the Registrar of Companies for Jersey
“Retained Shares”	57,748,991 of the Ordinary Shares legally and beneficially owned by Albion which will be retained post completion of the Acquisition in accordance with a shareholders’ agreement dated 29 April 2014 and entered into between Al Mirqab and Albion
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Heritage and Bidco

“Scheme Court Hearing”	the hearing by the Court, following the Court Meeting, of the application to sanction the Scheme
“Scheme Court Order”	the Act of the Court sanctioning the Scheme under Article 125 of the Jersey Companies Law
“Scheme Document”	the document in respect of the Scheme sent to (among others) Heritage Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Meetings
“Scheme Record Time”	6:00 p.m. (London time) on the Business Day on which the Scheme Court Order is made
“Scheme Shareholder” or “Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<ul style="list-style-type: none"> (i) the existing unconditionally allotted and/or issued Ordinary Shares in issue as at the date of the Scheme Document; (ii) any further Ordinary Shares unconditionally allotted and/or issued after the date of the Scheme Document and prior to the Voting Record Time (if any); and (iii) any Ordinary Shares unconditionally allotted and/or issued at or after the Voting Record Time and at or prior to the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, <p style="margin-left: 40px;">in each case other than the Retained Shares and the Excluded Shares</p>
“Takeover Offer”	means, that should the Acquisition be implemented by way of a takeover offer (as defined in Article 116 of the Jersey Companies Law), the takeover offer to be made by or on behalf of Al Mirqab to acquire the entire issued and to be issued ordinary share capital of Heritage other than the Excluded Shares and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Uncertificated Securities Order, may be transferred by means of CREST
“Uncertificated Securities Order”	the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended
“Voting Record Time”	6:00 p.m. (London time) on the day which is two days before the date of the Court Meeting or any adjournment thereof

- B. References to clauses are to clauses of this Scheme.
- C. As at the date of this Scheme, no member of the Al Mirqab Group beneficially owns any Ordinary Shares.
- D. Bidco is a wholly-owned subsidiary of Al Mirqab.
- E. Bidco has agreed to appear by counsel at the hearing of the petition to sanction this Scheme, and to submit to be bound by, and to undertake to the Court to be bound by, this Scheme and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by them or on their behalf for the purpose of giving effect to the Scheme.

- F. The provisions of this Scheme are subject to the Court sanctioning the Scheme and, accordingly, they may not be implemented until the Scheme Court Order has been delivered to the Registrar of Companies.

1. TRANSFER OF SCHEME SHARES

- 1.1 On the Effective Date, Bidco (or its nominee) shall acquire all of the Scheme Shares, fully paid, free from all liens, equities, charges, encumbrances and other interests and together with all rights at the date of this Scheme or thereafter attached thereto, including the right to receive and retain all dividends and other distributions declared or paid or made thereon.

- 1.2 For such purposes, the Scheme Shares shall be transferred to Bidco and/or its nominees and, to give effect to such transfer, any person may be appointed by Bidco to execute as transferor an instrument or instruction of transfer of the Scheme Shares and every instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.

2. CONSIDERATION FOR THE TRANSFER OF SCHEME SHARES

In consideration for the transfer of the Scheme Shares as provided in clause 1, Al Mirqab shall provide or procure that there shall be paid to or for the account of each holder of Scheme Shares whose name appears in the register of members of Heritage at the Scheme Record Time, the Cash Price, in accordance with the provisions of clause 3, as follows:

for each Scheme Share held: 320 pence in cash

3. SETTLEMENT

- 3.1 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in certificated form, settlement of the consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be settled by cheque despatched, at the Scheme Shareholder's own risk, by not later than 14 days after the Effective Date (except with the consent of the Panel) by first class post in pre-paid envelopes to the address appearing in the register of Heritage at the Scheme Record Time (or, in the case of joint holders, to the holder whose name stands first in such register in respect of the joint holding concerned). All cheques shall be in Sterling drawn on the branch of a UK clearing bank. Payments made by cheque shall be payable to the Scheme Shareholder concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of Heritage. The encashment of any such cheque as is referred to in this clause 3.1 shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented thereby. Bidco shall not be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this clause 3.1 which shall be sent at the risk of the persons entitled thereto.

- 3.2 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in uncertificated form, settlement of the cash consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be effected through CREST by Bidco procuring the creation of a CREST payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Scheme Shares in respect of the consideration due to him by not later than 14 days after the Effective Date (except with the consent of the Panel). The creation of such an assured payment arrangement shall be a complete discharge of Bidco's obligations under this Scheme with reference to payments through CREST. Bidco may settle all or part of the cash consideration referred to in this clause 3.2 to all or any relevant Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in clause 3.1 of this Scheme if, for reasons outside its control, it is not able to effect settlement in uncertificated form in accordance with this clause 3.2.

4. SHARE CERTIFICATES AND CANCELLATION OF CREST ENTITLEMENTS

With effect from, and including, the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of Heritage to deliver up the same for cancellation to Heritage, or, as Heritage may direct, to destroy the same;
- 4.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- 4.3 as regards certificated Scheme Shares, appropriate entries will be made in the register of members of Heritage with effect from the Effective Date to reflect their transfer.

5. EFFECTIVE DATE

- 5.1 This Scheme shall become effective as soon as the Scheme Court Order sanctioning this Scheme under Article 125(2) of the Jersey Companies Law shall have been delivered to the Registrar of Companies for registration under Article 125(3) of the Jersey Companies Law. This is expected to occur on or around 30 June 2014.
- 5.2 Unless this Scheme shall become effective on or before 29 September 2014 or such later date, if any, as Heritage and Bidco may agree and the Panel and the Court may allow, this Scheme shall not become effective.

6. MODIFICATION

Heritage and Bidco may, at any hearing to sanction the Scheme, jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

7. GOVERNING LAW

This Scheme is governed by the laws of Jersey and is subject to the jurisdiction of the Jersey courts.

Dated 27 May 2014

PART VI — FINANCIAL INFORMATION ON THE HERITAGE GROUP

1. FINANCIAL INFORMATION

The following sets out financial information in respect of the Heritage Group as required by Rule 24.3 of the City Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the City Code:

- the audited accounts of the Heritage Group for the financial year ended 31 December 2013 are set out on pages 8 to 44 (both inclusive) in Heritage's Financial Statements for the financial year ended on 31 December 2013, available from Heritage's website at www.heritageoilplc.com; and
- the audited accounts of the Heritage Group for the financial year ended 31 December 2012 are set out on pages 9 to 39 (both inclusive) in Heritage's Financial Statements for the financial year ended on 31 December 2012, available from Heritage's website at www.heritageoilplc.com.

2. AVAILABILITY OF HARD COPIES

A person who has received this document may request a copy of any documents or information incorporated by reference into this document. A copy of such documents or information incorporated by reference into this document will not be provided unless requested, by submitting a request in writing to Computershare at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands, or by contacting the Shareholder Helpline on 0870 707 4040 (or, from outside the United Kingdom, +44 (0)870 707 4040. Lines are open from 9:00 a.m. to 5:00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the Shareholder Helpline from within the United Kingdom cost 10 pence per minute (excluding VAT) plus network extras. Calls to the Shareholder Helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. Please note that the operators cannot provide advice on the merits of the Scheme or the Acquisition or give financial, tax, investment or legal advice.

3. NO INCORPORATION OF WEBSITE INFORMATION

Save as set out above, the content of Heritage's website, nor the content of any website accessible from hyperlinks on Heritage's website, is incorporated into, or forms part of, this document.

PART VII — TAXATION

SECTION A – UK TAXATION

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice as at 23 May 2014, being the latest practicable date prior to the date of publication of this document, which may change, possibly with retrospective effect. They summarise certain limited aspects of the UK taxation treatment of Heritage Shareholders. They relate only to the position of Heritage Shareholders who are resident and, in the case of individual shareholders, domiciled in the UK for taxation purposes at all relevant times and who hold their Ordinary Shares beneficially as an investment (other than under a PEP or an ISA) and not as securities to be realised in the course of a trade and who have not (and are not deemed to have) acquired their Ordinary Shares by reason of an office or employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries, insurance companies, collective investment schemes and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional adviser immediately.

1. UK TAXATION OF CHARGEABLE GAINS

A Heritage Shareholder's liability to UK taxation of chargeable gains in respect of the disposal of Ordinary Shares pursuant to the Acquisition will depend on that shareholder's individual circumstances.

The sale of Ordinary Shares by a Heritage Shareholder pursuant to the Acquisition will constitute a disposal of his or her shareholding. Such a disposal may give rise to a chargeable gain (or allowable loss) and as such may result in a liability to UK taxation of chargeable gains depending on the Heritage Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the Heritage Shareholder's base cost in his or her holding of Ordinary Shares.

For Heritage Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their Ordinary Shares) indexation allowance may be available in respect of the full period of ownership of the Ordinary Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of Ordinary Shares.

2. HERITAGE SHARE SCHEMES

Special tax provisions may apply to Heritage Shareholders who have acquired or acquire their Ordinary Shares by exercise of options and/or vesting of awards under the Heritage Share Schemes which may include provisions imposing a charge to UK income tax and National Insurance contributions when such an award vests or such an option is exercised possibly in addition to a further charge on any gain or deemed gain that arises as a result of a sale of Ordinary Shares so obtained. Such Heritage Shareholders are advised to seek independent professional advice in this regard.

3. STAMP DUTY AND STAMP DUTY RESERVE TAX (“SDRT”)

No UK stamp duty or SDRT will be payable by Heritage Shareholders as a result of the Acquisition.

SECTION B – CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR SCHEME SHAREHOLDERS

The following summary describes certain Canadian federal income tax considerations generally applicable to a beneficial owner of Scheme Shares who disposes of Scheme Shares pursuant to the Scheme and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the “ITA”): (a) is, or is deemed to be, resident in Canada; (b) deals at arm's length with Heritage and Bidco; (c) is not affiliated with Heritage or Bidco; and (d) holds Scheme Shares as capital property (a “**Canadian Scheme Shareholder**”). Generally, Scheme Shares will be capital property to a Scheme Shareholder unless such shares are held or were acquired in the course of carrying on a business or as part of an adventure or concern in the nature of trade. The Scheme Shares are not “Canadian securities” for the purpose of the election under subsection 39(4) of the ITA to treat all Canadian securities owned by the holder as capital property, and therefore no such election will apply to the Scheme Shares.

This summary is not applicable to a Canadian Scheme Shareholder (i) that is a “specified financial institution”, (ii) an interest in which is a “tax shelter investment”, (iii) that is a “financial institution” for purposes of certain rules applicable to securities held by financial institutions (referred to as the “mark-to-market” rules), (iv) that reports its “Canadian tax results” in a currency other than Canadian dollars, (v) in respect of which Heritage is a “foreign affiliate” for the purposes of the ITA or (vi) that has entered into, or enters into, a “derivative forward agreement”, (each as defined in the ITA), with respect to its Scheme Shares. Such holders should consult their own tax advisors with respect to the consequences of the Scheme.

This summary is not applicable to a Canadian Scheme Shareholder who is, or who holds Scheme Shares through a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, registered education savings plan or tax-free savings account. Such holders should consult their own tax advisors regarding the Canadian tax consequences of participating in the Scheme, including the consequences of a de-listing of the Scheme Shares from the LSE at a time prior to the time of disposition of the Scheme Shares on the Effective Date. Currently, it is expected that the Scheme Shares will be de-listed shortly after the Effective Date.

This summary is based on the current provisions of the ITA, the regulations thereunder (the “**Regulations**”), and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) which have been made public prior to the date hereof. This summary takes into account all specific proposals to amend the ITA and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. No assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction which may be different from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Canadian Scheme Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Canadian Scheme Shareholders should consult their own tax advisors having regard to their own particular circumstances.

For purposes of the ITA, all amounts relating to the acquisition, holding or disposition of the Scheme Shares must be expressed in Canadian dollars, including adjusted cost base and proceeds of disposition. Any amount denominated in another currency must be converted into Canadian dollars using exchange rates as determined in accordance with the ITA.

Disposition of Scheme Shares

Generally, a Canadian Scheme Shareholder who disposes of Scheme Shares pursuant to the Scheme will realise a capital gain (or capital loss) equal to the amount, if any, by which the aggregate Cash Price received for such shares, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base to the Canadian Scheme Shareholder of such shares immediately before the disposition.

Generally, a Canadian Scheme Shareholder is required to include in computing its income for a taxation year one half of the amount of any capital gain (a taxable capital gain) realised in such taxation year. Subject to and in accordance with the provisions of the ITA, a Canadian Scheme Shareholder is required to deduct one-half of the amount of any capital loss (an allowable capital loss) realised in a taxation year from taxable capital gains realised by the Canadian Scheme Shareholder in such taxation year. Allowable capital losses in excess of taxable capital gains for the year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realised in such years, in accordance with and subject to the rules contained in the ITA.

Foreign tax, if any, levied on any gain realised on the disposition of Scheme Shares may be eligible for a foreign tax credit under the ITA to the extent and under the circumstances prescribed therein.

A Canadian Scheme Shareholder that is throughout the year a “Canadian-controlled corporation”, as defined in the ITA, may be liable for an additional refundable tax of 6 2/3 per cent. on its aggregate investment income, which includes amounts in respect of taxable capital gains.

A capital gain realised by a Canadian Scheme Shareholder who is an individual or trust (other than certain trusts) may result in such Canadian Scheme Shareholder being liable for alternative minimum tax under the ITA.

SECTION C – JERSEY TAXATION

The following summary of the anticipated tax treatment in Jersey of the holders of Ordinary Shares (other than holders of Ordinary Shares resident in Jersey who may be subject to tax depending on their circumstances) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Holders of Ordinary Shares should consult their professional advisers on the implications of the Scheme under the laws of the jurisdictions(s) in which they may be liable to taxation. Holders of Ordinary Shares should also be aware that tax laws, rules and practice and their interpretation may change.

No taxation or stamp duty will be payable in Jersey by holders of Ordinary Shares (other than holders of Ordinary Shares resident in Jersey who may be subject to tax depending on their circumstances) as a result of the transfer of Ordinary Shares to Bidco or the implementation of the Scheme.

PART VIII — ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Heritage Directors (whose names appear in section 2.1 below) accept responsibility for the information contained in this document except for that information for which the Independent Directors, the Bidco Director or the Al Mirqab Director accept responsibility in accordance with sections 1.2 and 1.3 below. To the best of the knowledge and belief of the Heritage Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Directors (whose names appear in section 2.2 below) accept responsibility for the recommendation of the Acquisition contained in this document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the impact of such information.
- 1.3 The Bidco Director and the Al Mirqab Director (whose names are set out in sections 2.3 and 2.4 respectively below), each accept responsibility for the information contained in this document relating to Bidco, Al Mirqab and the Al Mirqab Group and themselves and their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the Bidco Director and the Al Mirqab Director who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the impact of such information.

2. DIRECTORS

- 2.1 The Heritage Directors and their functions are as follows:

Michael Hibberd.....	<i>Chairman and Non-Executive Director</i>
Anthony Buckingham.....	<i>Chief Executive Officer</i>
Paul Atherton.....	<i>Chief Financial Officer</i>
Gregory Turnbull.....	<i>Non-Executive Director</i>
John McLeod.....	<i>Non-Executive Director</i>
Carmen Rodriguez.....	<i>Non-Executive Director</i>
Mark Erwin	<i>Non-Executive Director</i>

Heritage is incorporated in Jersey under the Jersey Companies Law with registered number 99922. Heritage's registered office is at Ordnance House, 31 Pier Road, St. Helier, JE4 8PW, Jersey and it has a place of business at Fourth Floor, Windward House, Route de la Liberation, St. Helier, JE2 3BQ, Jersey.

- 2.2 The Independent Directors of Heritage and their functions are as follows:

Michael Hibberd.....	<i>Chairman and Non-Executive Director</i>
Gregory Turnbull.....	<i>Non-Executive Director</i>
John McLeod.....	<i>Non-Executive Director</i>
Carmen Rodriguez.....	<i>Non-Executive Director</i>
Mark Erwin	<i>Non-Executive Director</i>

- 2.3 The Bidco Director and his functions are as follows:

His Excellency Sheikh Hamad Jassim Jabor Al Thani.....	<i>Sole Director</i>
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Bidco is incorporated in the territory of the British Virgin Islands with registered number 1821077. Bidco's registered office is at 171 Main Street, Road Town, Tortola, British Virgin Islands.

2.4 The Al Mirqab Director and his functions are as follows:

His Excellency Sheikh Hamad Jassim Jabor Al Thani..... *Sole Director*

Al Mirqab is incorporated in the State of Qatar with registered number 21831. Al Mirqab's registered office is at PO Box 4044, Doha, Qatar.

3. IRREVOCABLE UNDERTAKINGS

3.1 The following Heritage Shareholders have given irrevocable undertakings: (i) to vote in favour of the Scheme at the Court Meeting and in favour of the resolutions to be proposed at the Extraordinary General Meeting and the Independent Shareholders' Meeting (as applicable); and (ii) if the Scheme is subsequently structured as a Takeover Offer, to accept the Takeover Offer:

(a) *Albion and Anthony Buckingham*

Name	Number of Ordinary Shares ⁸	Percentage of issued share capital as at the disclosure date ⁹
Albion.....	84,915,340	30.55
Anthony Buckingham.....	9,754,510	3.51

These irrevocable undertakings cease to be binding on the earlier of the (i) Long Stop Date and (ii) the occurrence of one of the following:

- (i) the Scheme is cancelled or withdrawn and Al Mirqab does not announce a Takeover Offer within 21 days of such cancellation or withdrawal; or
- (ii) the Scheme or any Takeover Offer lapses in accordance with its terms.

Notwithstanding the lapse of Albion's undertakings in the circumstances set out above, Albion's commitment not to accept any other offer in respect of Anthony Buckingham's (direct or indirect) interest in Ordinary Shares shall continue until the Long Stop Date.

(b) *Other Heritage Directors*

Name	Number of Ordinary Shares ¹⁰	Percentage of issued share capital as at the disclosure date ¹¹
Paul Atherton.....	4,015,000	1.44
Michael Hibberd.....	1,375,000	0.49
Gregory Turnbull.....	1,000,070	0.36
John McLeod.....	81,000	0.03

These irrevocable undertakings cease to be binding on the earlier of the (i) Long Stop Date and (ii) the occurrence of one of the following:

⁸ This number includes the number of Ordinary Shares (if any) held by family members/trusts/nominee companies of the relevant director to which the irrevocable undertaking also relates.

⁹ Calculated on the basis of the current issued share capital of Heritage as at the disclosure date, excluding any Ordinary Shares which vest under the terms of the Heritage Share Schemes following the date of the Meetings.

¹⁰ This number includes the number of Ordinary Shares (if any) held by family members/trusts/nominee companies of the relevant director to which the irrevocable undertaking also relates.

¹¹ Calculated on the basis of the current issued share capital of Heritage as at the disclosure date, excluding any Ordinary Shares which vest under the terms of the Heritage Share Schemes following the date of the Meetings.

- (i) the formal documents setting out the terms and conditions of the Scheme (or of a Takeover Offer) are not posted to Heritage Shareholders by 15 June 2014;
- (ii) the Scheme is cancelled or withdrawn and Al Mirqab does not announce at the same time a Takeover Offer;
- (iii) the required proportions of Heritage Shareholders do not vote in favour of the Scheme at the Meetings; or
- (iv) the Scheme or any Takeover Offer lapses in accordance with its terms.

4. INTERESTS IN RELEVANT HERITAGE SECURITIES

4.1 For the purposes of this Part VIII:

acting in concert with a party means any person acting or deemed to be acting in concert with that party for the purposes of the City Code in respect of the Acquisition;

arrangement includes an indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing but excludes irrevocable commitments and letters of intent;

connected persons means those persons in whose interests in securities the Heritage Directors (or the Bidco Director, or the Al Mirqab Director, as the case may be) are taken to be interested in pursuant to Part 22 of the Companies Act 2006;

dealing or dealt includes:

- (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of relevant securities;
- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition, disposal, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

derivative includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

disclosure date means 23 May 2014 (being the latest practicable date prior to the date of publication of this document);

disclosure period means the period commencing on 30 April 2013 (the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

to have an **interest** in relevant securities means to have a long economic exposure, whether absolute or conditional, to changes in the price of such securities. A person who only has a short position in relevant securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in relevant securities if he:

- (a) owns relevant securities;

- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the relevant securities or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery, or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

relevant securities means:

- (a) Ordinary Shares or, as the context requires, shares in Bidco or Al Mirqab;
- (b) equity share capital of Heritage or, as the context requires, Bidco or Al Mirqab; and
- (c) any securities convertible into or exchangeable for rights to subscribe for Ordinary Shares or as the context requires, shares in Bidco or Al Mirqab, described in (a) and (b) above and securities convertible into, rights to subscribe, or options (including traded options) in respect of derivatives referenced to any of the foregoing; and

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5. INTERESTS AND DEALINGS IN RELEVANT HERITAGE SECURITIES

Interests

- 5.1 As at the disclosure date, the Heritage Directors and their respective immediate families, related trusts and connected persons have an interest in, any right to subscribe for or any short position in (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, relevant securities of Heritage as follows:

<u>Director</u>	<u>Interest</u>	<u>Number of Ordinary Shares¹²</u>
Michael Hibberd.....	Legal and beneficial ownership	1,375,000
Anthony Buckingham ¹³	Legal and/or beneficial ownership	98,287,607
Paul Atherton.....	Legal and beneficial ownership	6,694,820
Gregory Turnbull.....	Legal and beneficial ownership	1,000,070
John McLeod.....	Legal and beneficial ownership	81,000

- 5.2 As at the disclosure date, the following Directors hold the following LTIP awards granted pursuant to the terms of the 2008 LTIP:

<u>Director</u>	<u>Number of Ordinary Shares</u>	<u>Date of award</u>	<u>Earliest Vesting Date</u>	<u>Share Price on Date of Grant</u>
Anthony Buckingham ¹⁴	915,913	20 June 2011	20 June 2014	212.8p
	1,582,765	19 June 2012	19 June 2015	129.3p

¹² Includes awards under the Heritage Share Schemes.

¹³ Anthony Buckingham's Ordinary Shares include the Ordinary Shares held by Albion as at the date of this document, a company beneficially owned by Anthony Buckingham.

¹⁴ Pursuant to the waiver of the application of the application of Rule 9 of the City Code approved by Heritage Shareholders at Heritage's 2012 and 2013 AGM, the Remuneration Committee agreed with Anthony Buckingham to issue his 2011 LTIP awards under the 2008 LTIP, however, Anthony Buckingham's awards fully reflect the terms and conditions of all the other 2011 LTIP awards.

1,119,079 23 June 2013 22 June 2016 133.0p

5.3 As at the disclosure date, the following Directors hold the following LTIP awards granted pursuant to the terms of the 2011 LTIP:

Director	Number of Ordinary Shares	Date of award	Earliest Vesting Date	Share Price on Date of Grant
Paul Atherton.....	678,454	20 June 2011	20 June 2014	212.8p
	1,172,419	19 June 2012	19 June 2015	129.3p
	828,947	23 June 2013	22 June 2016	133.0p

Dealings

5.4 As at the disclosure date, the following persons deemed to be acting in concert with Bidco and/or Al Mirqab have dealt for value in relevant securities of Heritage during the disclosure period:

Name of party	Date(s)	Nature of dealings	Number of Heritage relevant securities	Low Price (pence)	High Price (pence)
Deutsche Bank AG Frankfurt	30/04/2013-29/07/2013	Purchase	9,500	136	144
	30/04/2013-29/07/2013	Sale	6,225	134	144
	30/07/2013-29/10/2013	Purchase	55,000	181	181
	30/07/2013-29/10/2013	Sale	127,177	174	190
	30/10/2013-29/01/2014	Purchase	304,000	144	152
	30/10/2013-29/01/2014	Sale	314,100	142	185
	01/03/2014-29/03/2014	Sale	27,000	234	234
	30/03/2014-29/04/2014	Sale	4,450	262	263
Deutsche Bank Securities Inc	30/04/2013-29/07/2013	Purchase	23,663	130	166
	30/04/2013-29/07/2013	Sale	9,434	128	142
	30/07/2013-29/10/2013	Purchase	31,180	159	188
	30/07/2013-29/10/2013	Sale	31,393	167	195
	30/10/2013-29/01/2014	Purchase	43,511	182	185
	30/10/2013-29/01/2014	Sale	348,176	153	170
	30/01/2014-28/02/2014	Purchase	60,000	251	251
	01/03/2014-29/03/2014	Purchase	205,693	235	274
30/03/2014-29/04/2014	Purchase	35,646	235	260	

Notes: Trades in other currencies have been converted into GBP at the relevant spot rate on the relevant day (Source: FactSet)

In the Opening Position Disclosure dated 30 April 2014 it was stated that DWS Invest Sicav (an affiliate of Deutsche Bank) had an interest in 108,902 Heritage Shares. However, the correct figure should have been nil, hence no DWS Invest Sicav position is disclosed in the above table

Deutsche Bank AG Frankfurt and Deutsche Bank Securities Inc dealt in the relevant securities in the last twelve months but as of the date of this document had no position in the relevant securities and accordingly have not been listed as concert parties on page 59

5.5 Save as disclosed in this section 5, as at the disclosure date:

- (a) none of:
 - (i) Heritage;

- (ii) the Heritage Directors or their respective immediate families, related trusts nor any other connected persons;
- (iii) any person acting in concert with Heritage; or
- (iv) any person who is a party to an arrangement with Heritage, or any person acting in concert with Heritage, of the kind referred to in Note 11 on the definition of acting in concert in the City Code,

had any interest in or right to subscribe for any relevant securities of Heritage (or, in the case of Heritage or the Heritage Directors and their respective immediate families, related trusts and any other connected persons, relevant securities of Bidco or Al Mirqab) or any short position in any relevant securities of Heritage (or in the case of Heritage or the Heritage Directors and their respective immediate families, related trusts and any other connected persons, any relevant securities of Bidco or Al Mirqab) nor has any such person dealt in any relevant securities of Heritage (or, in the case of Heritage and the Heritage Directors and their immediate families, related trusts and any other connected persons, relevant securities of Bidco or Al Mirqab) during the Offer Period;

- (b) none of:
 - (i) Al Mirqab;
 - (ii) Bidco;
 - (iii) the Bidco Director or the Al Mirqab Director, or their respective immediate families, related trusts or any other connected persons;
 - (iv) any person acting in concert with Bidco or Al Mirqab; or
 - (v) any person who is a party to an arrangement with Bidco or Al Mirqab, or any person acting in concert with Bidco or Al Mirqab, of the kind referred to in Note 11 on the definition of acting in concert in the City Code,

held any interest in or right to subscribe for or any short position in any relevant securities of Heritage, nor had any agreements to sell or any delivery obligations or rights to require another person to purchase or take any delivery of any relevant securities of Heritage nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Heritage (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code) nor has any such person dealt in any Heritage relevant securities during the disclosure period;

- (c) neither Heritage nor any person acting in concert with Heritage has borrowed or lent any relevant securities of Heritage (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6) except for any borrowed shares which have either been on-lent or sold; and
- (d) except as disclosed in section 10 of this Part VIII, Heritage has not redeemed, purchased or exercised any option over any relevant securities of Heritage or any securities convertible into rights to subscribe for or options in respect of or derivatives referenced to relevant securities of Heritage during the disclosure period.

6. PERSONS ACTING IN CONCERT

6.1 In addition to the Heritage Directors, for the purposes of the City Code, the persons acting in concert with Heritage are:

<u>Name</u>	<u>Type of company</u>	<u>Registered office</u>	<u>Relationship to Heritage</u>
J.P. Morgan Cazenove.....	Financial Institution	25 Bank Street Canary Wharf E14 5JP	Financial adviser

6.2 In addition to the Bidco Director and the Al Mirqab Director, for the purposes of the City Code, the persons acting in concert with Bidco are:

<u>Name</u>	<u>Type of company</u>	<u>Registered office</u>	<u>Relationship to Bidco</u>
Albion Energy Limited	Limited liability company	2nd Floor Hastings Financial Centre Hastings Christ Church Barbados	Shareholder of Heritage acting in concert with Bidco via the Buckingham Arrangements
Anthony Buckingham	N/A – individual	N/A – individual	Shareholder and Director of Heritage acting in concert with Bidco via the Buckingham Arrangements
Deutsche Bank.....	Financial Institution	Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom	Financial adviser
QInvest LLC.....	Financial Institution	Tornado Tower, 39th Floor West Bay Doha P.O. Box: 26222 State of Qatar	Financial adviser

7. DIRECTORS' SERVICE CONTRACTS AND EMOLUMENTS

7.1 *Service Contracts/Terms of Employment*

Mr Anthony Buckingham entered into an executive service agreement with Heritage, dated 28 March 2008, as amended, in which he agreed to act as Chief Executive Officer of Heritage. The agreement is terminable on not less than 12 months' written notice by Heritage at any time or 6 months' notice by Anthony Buckingham at any time; in addition, Heritage may terminate the agreement and make payment in lieu of notice. Anthony Buckingham's annual base package is £785,675 (effective 01 January 2014) and he is eligible to receive an annual performance-related bonus which will be determined at the discretion of the Heritage Board. Anthony Buckingham is entitled to the benefits of private medical insurance, life insurance, an allowance in the amount of £100,000 and executive participation in the retirement and welfare benefit schemes of Heritage from time to time. In the event of a change of control of Heritage, if Anthony Buckingham resigns or Heritage terminates his appointment within twenty-four months of such change of control, he shall be entitled to an immediate payment in lieu of notice of a sum equivalent to three times his annual base package and benefits as are in place at the time of dismissal or when notice of termination is served by Heritage.

Mr Paul Atherton entered into an executive service agreement with Heritage, dated 28 March 2008, as amended in which he agreed to act as Chief Financial Officer of Heritage. The agreement is terminable on not less than 12 months' written notice by Heritage at any time or 6 months' notice by Paul Atherton at any time, in addition, Heritage may terminate the agreement and make payment in lieu of notice. Paul Atherton's annual base package is £581,982 (effective 01 January 2014) and he is eligible to receive an annual performance-related bonus which will be determined at the discretion of the Heritage Board. Paul Atherton is entitled to the benefits of private medical insurance, life insurance, an allowance in the amount of £77,500 and executive participation in the retirement and welfare benefit schemes of Heritage from time to time. In the event of a change of control of Heritage, if Paul Atherton resigns or Heritage terminates his appointment within twenty-four months of such change of control, he shall be entitled to an immediate payment in lieu of notice of a sum equivalent to three

times his annual base package and benefits as are in place at the time of dismissal or when notice of termination is served by Heritage.

Each of the non-executive directors of Heritage receive an annual fee of £84,000 (excluding the Chairman who receives annual fees of £126,000), plus in each case an additional fee of £2,000 (or such other amount as the board in its sole discretion deems appropriate) per day worked in excess of 20 days per annum. Their agreements are terminable on three months' written notice by either party.

The Directors are not on fixed term contracts, but they are required to retire by rotation in accordance with the Articles.

Each of the Heritage Directors (other than Carmen Rodriguez and Mark Erwin), being directors of HOC, will be entitled to a payment of US\$ 75,000 in the event of a change of control.

Save as detailed in this section 7.1, no member of the administrative, management or supervisory bodies' service contracts with Heritage or any member of the Heritage Group provide for benefits upon termination of employment.

In the financial year ended 31 December 2013, the total remuneration paid (including contingent or deferred compensation) and benefits in kind granted (of any description whatsoever) to each of the Heritage Directors by members of the Heritage Group was:

Director	Base package/fees (Including Contingent or Deferred Compensation)	Benefits in Kind
Michael Hibberd.....	Director's fee of £126,000	0
Anthony Buckingham ¹⁵	Base package of £766,500 Additional benefits of £1,226,500	£112,500 ¹⁶
Paul Atherton ¹⁵	Base package of £567,800 Additional benefits of £908,500	£223,700 ¹⁶
Gregory Turnbull.....	Director's fee of £84,000	0
John McLeod.....	Director's fee of £84,000	0
Carmen Rodriguez.....	Director's fee of £84,000	0
Mark Erwin	Director's fee of £84,000	0

7.2 Save as set out in this document, none of the Heritage Directors have (as at the date of this document) any potential conflicts of interests between their duties to Heritage and their private interests or other duties.

8. MARKET QUOTATIONS

The following table shows the closing middle market prices for Ordinary Shares as derived from the Daily Official List for the first dealing day of each of the six months immediately prior to the date of publication of this document, for 29 April 2014 (being the last Business Day prior to the commencement of the Offer Period) and the disclosure date:

Date	Price per Heritage Share (£)
01 November 2013.....	1.85
02 December 2013.....	1.63
02 January 2014.....	1.52
03 February 2014.....	1.86

¹⁵ Anthony Buckingham and Paul Atherton are entitled to receive pension contributions of an annual amount equal to 10 per cent. of their base package which have been excluded from the above table.

¹⁶ Shows the value of benefits, comprising private medical insurance, life insurance, school fees and housing allowances of £100,000 (Anthony Buckingham) and £77,500 (Paul Atherton) but exclude pension contributions.

03 March 2014.....	2.55
01 April 2014.....	2.54
29 April 2014.....	2.56
23 May 2014.....	3.15

9. MATERIAL CONTRACTS

9.1 Save for those contracts summarised in this section 9.1, Heritage has not entered into any contracts otherwise than in the ordinary course of business since 30 April 2012 (being the date two years prior to the commencement of the Offer Period) which are or may be material:

(a) *Confidentiality Agreement*

On 2 April 2014, Heritage and Al Mirqab entered into a mutual confidentiality agreement pursuant to which each of Heritage and Al Mirqab undertook to keep certain information relating to both the Offer and the other party confidential, to use such information solely for the purposes of evaluating and negotiating the Offer and not to disclose such information to third parties without the consent of the other party, except to certain parties who need access to such information for the purposes of the Offer; or if required by applicable laws or regulations, order of any court of competent jurisdiction or rules of any applicable stock exchange or competent regulatory body.

Pursuant to the agreement, Al Mirqab undertook, for a period of twelve months from the date of the agreement, not to solicit or entice away from the other party (or any group undertaking of the other party) any executive or manager or officer of the Heritage Group.

Pursuant to the agreement, Al Mirqab agreed to a standstill in relation to securities of the Company, solicitation of any person with respect to the voting of any security of the Company, and control or influence of the management of the Company for a period of twelve months from the date of the agreement.

(b) *Shoreline Option Agreement*

On 27 March 2012, Heritage Oil Cooperatief U.A., a Heritage subsidiary (“**DutchCo**”) and Shoreline Power entered into an option agreement (the “**Shoreline Option Agreement**”), the terms of which grant Shoreline Power the option (the “**Shoreline Power Option**”) to purchase 135,000 Class A shares in Shoreline, representing 30 per cent. of the Class A Shares. The parties subsequently entered into an addendum amending the option agreement on 25 June 2012 to revise the period during which the Shoreline Power Option can be exercised from six months commencing on 27 March 2012 to six months commencing on the date of the acquisition agreement (the “**Acquisition Agreement**”) pursuant to which Shoreline acquired a 45 per cent. interest in OML 30 from Shell Petroleum Development Company of Nigeria Limited, Total E&P Nigeria Limited and Nigeria AGIP OIL Company Limited. On the same date but following the entry into the addendum described above, DutchCo, Shoreline Power and Heritage Oil SNR (Nigeria) B.V., a wholly-owned subsidiary of DutchCo (“**Heritage Nigeria**”) entered into a novation agreement to reflect the assignment by DutchCo of its interest in Shoreline to Heritage Nigeria. The consideration will be £1.00 per share plus a loan to Shoreline of 30 per cent. of the amount then-owing by Shoreline to Heritage (or its nominee, as appropriate) in connection with the Shoreline Shareholders’ Agreement as at the date the Shoreline Power Option is exercised, which loan will be used by Shoreline to repay Heritage. The Shoreline Power Option may only be exercised in respect of all of the option shares. In the Shoreline Option Agreement, Heritage Nigeria grants warranties to Shoreline Power as to its authority to grant the Shoreline Power Option and its title to the shares subject to the Shoreline Power Option.

In December 2012, Heritage announced that Shoreline Power had exercised its call option to acquire 30 per cent. economic interest in Shoreline. Completion of the transaction is expected imminently following which Heritage will have an effective working interest in OML 30 of 30.71 per cent. On completion, Heritage will receive cash of US\$31.5 million and the balance will be provided by way of an interest bearing, secured loan from Heritage to Shoreline Power.

Neither party may assign its rights or obligations under the Shoreline Option Agreement without the prior written consent of the other party, save for an assignment to any wholly-owned subsidiary of either party.

(c) *Shoreline Shareholder Loan Agreement*

On 29 June 2012, Heritage and Shoreline entered into a loan agreement (the “**Shoreline Shareholder Loan Agreement**”), the terms of which govern the loan by Heritage (or one of its affiliates) to Shoreline of an amount up to US\$ 400 million (the “**Shoreline Shareholder Loan**”) required under the terms of the shareholders’ agreement dated 27 March 2012 (as amended on 25 June 2012) between Heritage Nigeria, Shoreline Power and Shoreline. The facility provided under the agreement in respect of the Shoreline Shareholder Loan is comprised of three tranches: (i) a tranche A amount of up to US\$185 million; (ii) a tranche B amount of US\$215 million; and (iii) a tranche C amount, to be agreed as between Heritage and Shoreline, to be used for general corporate and other agreed-to purposes.

Under the terms of the agreement, following execution of the Acquisition Agreement and Facilities Agreement (as defined below), Shoreline has access to all tranches of the facility and may borrow against the Shoreline Shareholder Loan. The principal amount of any Shoreline Shareholder Loan amount outstanding will bear interest at an aggregate percentage rate of eight per cent. plus LIBOR per annum, which interest is to be paid by Shoreline, subject to obligations of Shoreline in respect of any agreement governing the interests, rights and claims of its third party creditors, in arrears at the end of each calendar quarter. In the event interest payments are deferred due to third party creditor obligations, such interest will be capitalised and repaid on the final maturity date. Failure to pay any amount under the agreement will trigger an obligation to immediately, on demand by Heritage, pay interest at a rate of four per cent. above the interest rate noted above.

Subject to the terms of any agreement governing the interests, rights and claims of senior third party creditors, Shoreline may prepay the Shoreline Shareholder Loan in part or in full at any time before repayment is due, provided such repayments are equal to or greater than US\$1 million. The final maturity date of the amounts making up the Shoreline Shareholder Loan is 31 December 2019.

Representations and warranties provided by each of Heritage and Shoreline, are typical of such a loan arrangement, as are the events of default under the agreement, each of which, at Heritage’s election, result in the termination of the facility and an immediate repayment of amounts outstanding thereunder, and include a cross-default provision in respect of any agreement governing the interests, rights and claims of its third party creditors and an insolvency of Shoreline.

The terms of the Shoreline Shareholder Loan Agreement are further subject to the security sharing principles set out in Schedule 13 of the Facilities Agreement and the terms of the Facilities Agreement and any other agreement governing the interests, rights and claims of third party creditors of Shoreline will prevail in the event of any inconsistency with the terms of the Shoreline Shareholder Loan Agreement.

(d) *Facilities Agreement*

On 29 June 2012, Heritage and Shoreline (amongst others) entered into a Facilities Agreement for a US\$ 550 million secured bridge facility (the “**Bridge Facilities**”) whereby: (i) Standard Bank SA and JPM Chase agreed to make available to Shoreline a guarantee facility; (ii) Standard Bank SA agreed to make available to Shoreline a bridge facility; and (iii) JPM Chase agreed to make available to Heritage a bridge facility.

In June 2013, Shoreline successfully completed the refinancing of the Bridge Facilities into a senior secured revolving reserves based lending facility (the “**RBL Facility**”) (as summarised below). All non-Nigerian security relating to the Bridge Facilities were released upon entry into the RBL Facility.

(e) *Nigerian Share Pledge*

On 29 June 2012, DutchCo entered into a Nigerian law-governed share pledge with Standard Bank Plc for its entire shareholding in Shoreline as security for the obligations of Shoreline as borrower under the Bridge Facilities (the “**Nigerian Share Pledge**”), which Nigerian Share Pledge was later novated to

Heritage Nigeria pursuant to a deed of novation dated 25 June 2012. On 27 June 2013, Shoreline entered in to the RBL Facility which completed the refinancing of the Bridge Facilities. Pursuant to the terms of the RBL Facility, the Nigerian Share Pledge was transferred as part of the updated security package in connection with the RBL Facility.

The RBL Facility is a five year US\$ 550 million facility, which can be increased up to US\$ 600 million. The RBL Facility, which is secured only at the Nigerian level, replaces the Bridge Facilities and provides long term financing to further develop OML 30. Interest on the RBL Facility is at a variable rate of LIBOR plus 7.85 per cent.

(f) *Aircraft Refinancing Agreement*

Heritage Group's Gulfstream G550 aircraft has been the subject of a financing agreement. In December 2013, Darwin Air Limited, a wholly-owned subsidiary of Heritage, entered into a five year term loan agreement in which a facility in the amount of US\$ 26.4 million was made available for the purposes of refinancing the aircraft. The drawdown was to be used to repay an existing loan from a third party incurred in respect of previous financings relating to the aircraft. The repayment schedule sets out 20 quarterly instalments with the final payment date being 23 December 2018.

The interest rate is set at 4.69 per cent. Heritage has granted the lender certain security in respect of the loan: (i) a first priority mortgage of Heritage's interest in the aircraft; (ii) a security assignment in respect of the borrower's rights under certain insurances, warranties, requisition proceeds, and maintenance contracts; and (iii) a deregistration power of attorney. Additional security includes a share pledge by Heritage's shareholders in favour of the lender, and a parental guarantee.

(g) *Miran SPA in respect of a 26 per cent. interest*

On 20 August 2012, Heritage, Heritage Energy Middle Limited ("**Heritage Energy**") (a wholly-owned subsidiary of Heritage) and Genel Energy Plc ("**Genel**") entered into a sale and purchase agreement (the "**Initial Genel Agreement**") pursuant to which, Heritage Energy sold a 26 per cent. working interest (the "**Initial Interest**") in the production sharing contract for the Miran Block, Kurdistan (the "**Miran PSC**") and the related joint operating agreement (together with the Miran PSC, the "**Sale Assets**") to Genel for cash consideration of US\$156 million which was paid by Genel to Heritage on completion on 22 August 2012. In accordance with the terms of the Initial Genel Agreement, the transfer of the Initial Interest was deemed to have taken effect on 1 July 2012, with the effect that Genel also reimbursed Heritage Energy for expenditure in respect of the Initial Interest made by Heritage Energy between 1 July 2012 and 20 August 2012. This resulted in an additional payment by Genel to Heritage Energy of approximately US\$0.6 million on completion.

Pursuant to the Initial Genel Agreement, Heritage Energy agreed to indemnify Genel and certain related persons against liabilities incurred in connection with the Initial Interest prior to 1 July 2012, and Genel agreed to indemnify Heritage Energy and certain related persons against any liabilities incurred in connection with the Initial Interest from and after 1 July 2012. These indemnification obligations survive until 22 August 2014.

(h) *Miran SPA in respect of a 49 per cent. interest*

On 14 November 2012, Heritage, Genel, Genel Energy (Miran) Limited ("**Genel Miran**") and Heritage Energy entered into a sale and purchase agreement (the "**Subsequent Genel Agreement**") in respect of the sale and transfer of the remaining 49 per cent. working interest (the "**Remaining Interest**") in the Sale Assets then held by Heritage Energy to Genel Miran for consideration of US\$294 million. Heritage received shareholder approval for the transfer of the Remaining Interest pursuant to the terms of the Subsequent Genel Agreement at an Extraordinary General Meeting on 12 December 2012 and completion occurred on 22 January 2013.

Pursuant to the Subsequent Genel Agreement, Heritage Energy agreed to indemnify Genel and certain related persons against liabilities incurred in connection with the Remaining Interest prior to 1 July 2012, and Genel agreed to indemnify Heritage Energy and certain related persons against any liabilities incurred in connection with the Remaining Interest from and after 1 July 2012. These indemnification obligations survive until 22 January 2015.

9.2 Save for those contracts summarised in this section 9.2, and the relevant agreements described at section 9.1 above, Al Mirqab has not entered into any contracts otherwise than in the ordinary course of business since 30 April 2012 (being the date two years prior to the commencement of the Offer Period) which are or may be material:

(a) *Bid Conduct Agreement*

On 30 March 2014, Al Mirqab, Anthony Buckingham and Albion entered into a bid conduct agreement.

Under this agreement, each party agreed to discuss and co-operate in good faith with a view to finalising an appropriate structure for the Acquisition which results in Al Mirqab holding an 80 per cent. interest and Albion holding a 20 per cent. interest in the Ordinary Shares. The parties agreed to collaborate over the conduct of any discussions or negotiations with Heritage, any liaison with the Panel or any other regulator, any discussions with any of Heritage's Shareholders and/or the press or all decisions in relation to the Acquisition.

The parties agreed, save as agreed on the terms of the agreement or as agreed in writing by all the parties to the agreement, not to effect any dealing in the shares or securities of Heritage or derivatives or other interest in the securities of Heritage as defined in the City Code for so long as the parties are acting in concert (as determined by the Panel).

The bid conduct agreement shall terminate on the Long Stop Date if the Scheme Court Order has not been issued.

(b) *Shareholders' Agreement*

On 29 April 2014, Al Mirqab and Albion entered into the Shareholders' Agreement (to take effect subject to completion of the Acquisition) regulating their relationship as shareholders of Heritage following completion of the Acquisition. Pursuant to the terms of the Shareholders' Agreement, the parties agree to continue and expand the business of Heritage in terms of upstream oil and gas exploration, development and production activities in all areas of the world. Additionally, the Shareholders' Agreement contains provisions:

- that the Heritage Board will comprise seven directors of whom four will be appointed by Al Mirqab, two will be independent non-executives and one will be appointed by Albion (so long as it is at least a 5 per cent. shareholder of Heritage);
- that the parties shall exercise all voting rights to ensure that certain reserved matters do not occur without the prior unanimous consent of the parties or by their appointed directors. The reserved matters include changing the nature of the Company's business, entering into agreements with non-arm's length parties, causing Heritage to make a loan or incur indebtedness (except in connection with the business), amending the Articles and winding up Heritage;
- setting forth that it is the intention of the parties that Heritage shall pay an annual dividend to the shareholders of up to 50 per cent. of the available profits of Heritage in each such year after ensuring that there is sufficient working capital for future operations;
- restricting the transfer of Ordinary Shares including a restriction on transfer by Albion of any of its Ordinary Shares or any interest in any of its Ordinary Shares for a period of five years from the Effective Date other than, inter alia, to certain permitted transferees or following a change of control of Al Mirqab or a decrease of Al Mirqab's shareholding in Heritage to 50 per cent. of the voting rights attached to shares in the capital of Heritage or pursuant to tag along (in favour of Albion) and drag along (in favour of Al Mirqab upon determining to sell all of its Ordinary Shares) rights;
- that any purported sale or transfer of Ordinary Shares to any person that is not an affiliate of such party or is not otherwise a permitted transferee (including a change of control of either party) and subject to the transfer restriction referred to above will trigger a right of first refusal on the part of the non-transferring party, except that in the case of Al Mirqab, any transfer of Ordinary Shares by Al Mirqab to any person will only trigger such right of first refusal if such

transfer results in Al Mirqab holding at less than or equal to 50 per cent. of the voting rights attached to the Ordinary Shares;

- that restrict each party's ability to engage in any business competing with Heritage and their ability invest in more than 30 per cent. in any third party business or entity that competes with Heritage.

(c) *Warrant Deed*

On 29 April 2014, Anthony Buckingham signed a warrant deed in favour of Bidco (to take effect subject to completion of the Acquisition). Pursuant to the terms of the warrant deed, Anthony Buckingham undertook that for a period of five years commencing on the Effective Date not to, inter alia:

- transfer his beneficial interest in the share capital of Albion other than to certain permitted transferees; and
- permit the beneficial interest in any new shares issued by Albion to be held by any person other than by himself and or one (or more) such permitted transferees;

other than, inter alia, following a change of control of Al Mirqab or a decrease of Al Mirqab's shareholding in Heritage to 50 per cent. or less than 50 per cent. of the voting rights attached to shares in the capital of Heritage or if the Shareholders' Agreement is terminated, the undertakings shall cease to apply.

10. SIGNIFICANT CHANGE

In the period starting on 30 April 2013 and ending on 16 May 2014, 109,609 exchangeable shares in the capital of HOC were exchanged (retracted) by the holders thereof on the basis of one Ordinary Share for each exchangeable share held in accordance with the terms set out in the articles of HOC, as follows: (i) 2,000 shares were exchanged on 7 January 2014, (ii) 4,400 shares were exchanged on 7 February 2014, (iii) 9,000 shares were exchanged on 21 February 2014, (iv) 50,000 shares were exchanged on 4 April 2014, (v) 38,800 shares were exchanged on 10 April 2014, and (vi) 5,409 shares were exchanged on 10 May 2014.

Effective 16 May 2014, the board of HOC procured the mandatory exchange (redemption) of all outstanding exchangeable shares in the capital of HOC (being 2,251,409 exchangeable shares) into Ordinary Shares on the basis of one Ordinary Share for each non-voting exchangeable share held in accordance with the terms set out in the articles of HOC for such exchangeable shares. The exchangeable shares were cancelled immediately upon exchange. The Ordinary Shares issued to HOC shareholders pursuant to such exchange will be eligible to vote at the Meetings are subject to the Acquisition and will be acquired pursuant to the terms of the Scheme on the Effective Date.

Subsequent to the mandatory exchange of all outstanding exchangeable shares, on 23 May 2014, the Heritage Board redeemed the one outstanding special voting share in the capital of the Company for a redemption price of US\$ 1.00 in accordance with the terms set out in the Articles. Such special voting share was cancelled immediately upon redemption.

Save as disclosed in this document, the Heritage Directors are not aware of any significant change in the financial or trading position of the Heritage Group which had occurred since 31 December 2013 (being the date to which the last audited financial information of Heritage was prepared).

11. OTHER INFORMATION

- 11.1 J.P. Morgan Cazenove has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 11.2 Deutsche Bank has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 11.3 QInvest has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

- 11.4 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco, Al Mirqab or any person acting in concert with them for the purposes of the Acquisition, and any of the Heritage Directors, recent directors of Heritage, Heritage Shareholders or recent shareholders of Heritage, or any person interested or recently interested in Ordinary Shares, having any connection with, or dependence upon, the Acquisition.
- 11.5 No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the Ordinary Shares to be acquired by Bidco pursuant to the Acquisition will be transferred to any other person, save that Bidco reserves the right to transfer any such shares to any other member of the Al Mirqab Group.
- 11.6 Settlement of the consideration under the Acquisition to which each Scheme Shareholder is entitled will be implemented in full in accordance with the terms of the Acquisition without regard to any right of lien, right of set off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against such Heritage Shareholder.
- 11.7 The aggregate fees and expenses which are expected to be incurred by Heritage in connection with the Acquisition are estimated to amount to approximately £5,150,000 (excluding applicable VAT). This aggregate number consists of the following categories:
- (a) financial advice: approximately £4,000,000 (excluding applicable VAT);
 - (b) legal advice: approximately £1,060,000 (excluding applicable VAT)¹⁶;
 - (c) public relations advice: approximately £40,000 (excluding applicable VAT); and
 - (d) other costs and expenses (including registrar/receiving agent fees and printing and proxy solicitation costs): approximately £50,000 (excluding applicable VAT).
- 11.8 The aggregate fees and expenses which are expected to be incurred by Bidco in connection with the Acquisition are estimated to amount to approximately £5,400,000 (excluding applicable VAT). This aggregate number consists of the following categories:
- (a) financial advice: approximately £4,750,000 (excluding applicable VAT);
 - (b) legal advice: approximately £450,000 (excluding applicable VAT)¹⁶; and
 - (c) other costs and expenses: approximately £200,000 (excluding applicable VAT).
- 11.9 There is no agreement or arrangement to which Bidco or Al Mirqab is a party which relates to the circumstances in which it may or may not invoke a condition to the Acquisition except that pursuant to the Bid Conduct Agreement as described further in section 9.2(a) of this Part VIII, Al Mirqab has agreed with Anthony Buckingham and Albion to collaborate over the conduct of all decisions in relation to the Acquisition.

12. SOURCES OF INFORMATION AND BASES OF CALCULATION

In this document:

- 12.1 Unless otherwise stated, financial information relating to the Heritage Group has been extracted or derived (without any adjustment, save for rounding) from the audited annual report and accounts for Heritage for the year ended 31 December 2013.
- 12.2 As at the close of business on 23 May 2014, being the last Business Day before the date of this document, Heritage had in issue 277,925,878 Ordinary Shares. The International Securities Identification Number for Ordinary Shares is JE00B2Q4TN56.
- 12.3 The issued and to be issued ordinary share capital of Heritage (being 288,744,955 Ordinary Shares but excluding the Excluded Shares) is calculated on the basis of:
- (a) the number of issued Ordinary Shares referred to in section 12.2 above; and

¹⁶ These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the date of publication of this document and an estimate of further time required.

(b) any further Ordinary Shares which may be allotted or issued on or after the date of this document on vesting of awards under the Heritage Share Schemes, amounting in aggregate to 10,819,077 Ordinary Shares.

12.4 Closing prices for Ordinary Shares are taken from the London Stock Exchange's Daily Official List. Unless otherwise stated, all closing prices for Ordinary Shares are closing middle market prices.

12.5 Volume weighted average prices are derived from FactSet.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be accessible on Heritage's website (at <http://heritageoilplc.com>) until the end of the Offer Period:

- (a) the current Memorandum and Articles of Association of Heritage;
- (b) the Articles of Heritage containing the proposed amendments to the Articles to be proposed at the Extraordinary General Meeting and to be approved by the passing of the Special Resolution;
- (c) the audited consolidated accounts of the Heritage Group for the two financial years ended 31 December 2012 and 31 December 2013;
- (d) the service agreements and terms of appointment for the Heritage Directors;
- (e) a copy of the Press Announcement;
- (f) the Buckingham Arrangements as described in section 3 of Part I of this document;
- (g) the irrevocable undertakings listed in section 3 of this Part VIII;
- (h) the material contracts relating to the Acquisition referred to in sections 9.1(a), 9.2(a) and 9.2(c) of this Part VIII;
- (i) the consent letters referred under sections 11.1 to 11.3 above; and
- (j) this document and the Forms of Proxy.

Neither the contents of the Heritage website, nor the content of any website accessible from hyperlinks on the Heritage website, is incorporated into or forms part of this announcement.

PART IX — DEFINITIONS

The following definitions apply throughout this document, except in Part V, Part X, Part XI and Part XII of this document, unless the context otherwise requires:

“ 2008 LTIP ”	the 2008 Long Term Incentive Plan approved by shareholders of Heritage in June 2008
“ 2011 LTIP ”	the 2011 Long Term Incentive Plan approved by shareholders of Heritage in June 2011
“ Acquisition ”	the proposed acquisition of the entire issued, and to be issued, share capital of Heritage (other than the Retained Shares and the Excluded Shares) by Al Mirqab to be effected by means of the Scheme or (should Al Mirqab so elect, subject to the consent of the Panel) by way of the Takeover Offer
“ Advisory Agreement ”	the agreement to be entered into following completion of the Acquisition between Heritage and Anthony Buckingham relating to his provision of advisory services to Heritage
“ Albion ”	Albion Energy Limited, incorporated in Barbados, with company number BB15154 having its registered office at 2 nd Floor, Hastings Financial Center, Hastings Christ Church, Barbados, and a legal and beneficial shareholder of 84,915,340 Ordinary Shares of Heritage, whose share capital is beneficially owned by Anthony Buckingham
“ Al Mirqab ”	Al Mirqab Capital and/or Bidco, together or individually as the context requires
“ Al Mirqab Capital ”	Al Mirqab Capital SPC, incorporated in the State of Qatar with registered number 21831 having its registered office at PO Box 4044, Doha, Qatar
“ Al Mirqab Director ”	the sole director of Al Mirqab as at the date of this document whose name is set out in section 2.4 of Part VIII of this document
“ Al Mirqab Group ”	Al Mirqab, its parent undertaking and its subsidiary undertakings and the subsidiary undertakings of such parent undertaking
“ Articles ” or “ Articles of Association ”	the articles of association of Heritage, as amended
“ Bidco ”	Energy Investments Global Ltd, incorporated in the British Virgin Islands with registered number 1821077 having its registered office at 171 Main Street, Road Town, Tortola VG1110, British Virgin Islands
“ Bidco Director ”	the sole director of Bidco as at the date of this document whose name is set out in section 2.3 of Part VIII of this document
“ bopd ”	barrels of oil per day
“ Buckingham Arrangements ”	the Shareholders’ Agreement and the Advisory Agreement
“ Business Day ”	a day (other than a Saturday, Sunday or public or bank holiday) on which banks are generally open for business in London and Jersey
“ Cash Price ”	the 320 pence payable by Al Mirqab to the Scheme Shareholders in respect of each Scheme Share held by them at the Scheme Record Time in accordance with the terms of the Acquisition
“ City Code ”	the City Code on Takeovers and Mergers
“ Closing Price ”	the closing middle market quotation of an Ordinary Share as derived

	from the Daily Official List
“Computershare”	Computershare Investor Services (Jersey) Limited
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) set out in Part IV of this document
“Court”	the Royal Court of Jersey
“Court Meeting”	the meeting of Independent Shareholders convened by order of the Court pursuant to Article 125 of the Jersey Companies Law to consider and, if thought fit, to approve the Scheme, notice of which is set out at the end of this document, and any adjournment thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Order) in respect of which Euroclear is the Operator (as defined in the Uncertificated Securities Order) in accordance with which securities may be held and transferred in uncertificated form
“Dealing Disclosure”	has the meaning given to it in the City Code
“Deutsche Bank”	Deutsche Bank AG, a corporation domiciled in Frankfurt am Main, Germany, operating in the United Kingdom under bank registration number BR000005, acting through its London branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom
“Disclosure and Transparency Rules”	the Disclosure Rules and Transparency Rules published by the FCA from time to time
“Disclosed”	fairly disclosed in writing by or on behalf of Heritage to Al Mirqab or its professional advisers before the Offer Period in connection with the Acquisition
“Effective Date”	the date on which the Scheme becomes effective in accordance with clause 5.1 of the Scheme set forth in Part V of this document
“Euroclear”	Euroclear U.K. and Ireland Limited
“Excluded Shares”	the Ordinary Shares held by Heritage in treasury at the Effective Date
“Extraordinary General Meeting”	the extraordinary general meeting of Heritage Shareholders to be held at 9:15 a.m. on 23 June 2014, notice of which is set out at the end of this document, and any adjournment thereof to be convened to consider, and if thought fit pass, among other things, the Special Resolution
“FCA”	the UK Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA
“Forms of Proxy”	each or all of the BLUE form of proxy for use at the Court Meeting, the PINK form of proxy for use at the Extraordinary General Meeting and the GREEN form of proxy for use at the Independent Shareholders’ Meeting which accompany this document, as the context requires
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Heritage”	Heritage Oil Plc, a company incorporated in Jersey on 6 February 2008 as Heritage Oil Limited, with company number 99922 and whose registered address is Ordnance House, 31 Pier Road, St. Helier, JE4 8PW, Jersey with a place of business at Fourth Floor, Windward House, La Route de la Liberation, St. Helier, JE2 3BQ, Jersey, Channel Islands. On 18 June 2009, the name of Heritage was changed to Heritage Oil Plc

“Heritage Board” or “Heritage Directors”	the directors of Heritage as at the date of this document whose names are set out on section 2.1 of Part VIII of this document
“Heritage Group”	Heritage and its subsidiary companies as at the date of this document
“Heritage Shareholders”	holders of Ordinary Shares from time to time
“Heritage Share Schemes”	the 2008 LTIP and the 2011 LTIP
“HOC”	Heritage Oil Corporation, a company incorporated under the laws of Alberta, being a wholly-owned subsidiary of Heritage
“Independent Directors”	Michael Hibberd, Gregory Turnbull, John McLeod, Carmen Rodriguez and Mark Erwin
“Independent Shareholders”	all of the holders of Ordinary Shares from time to time, other than Anthony Buckingham and Albion
“Independent Shareholders’ Meeting”	the meeting of Independent Shareholders to be held at 9:30 a.m. on 23 June 2014, notice of which is set out at the end of this document, and any adjournment thereof to be convened to consider, and if though it pass, among other things, the Ordinary Resolution
“Jersey Companies Law”	the Companies (Jersey) Law 1991, and the regulations promulgated thereunder, as each may be amended from time to time
“JOA”	joint operating agreement
“J.P. Morgan Cazenove”	means J.P. Morgan Limited, acting in its capacity as financial adviser to Heritage which conducts its UK investment banking business as J.P. Morgan Cazenove
“Listing Rules”	the listing rules of the FCA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Long Stop Date”	29 September 2014
“Main Market”	the main market for listed securities of the London Stock Exchange
“Meetings”	the Court Meeting, the Extraordinary General Meeting and the Independent Shareholders’ Meeting, and “Meeting” shall mean any one of them
“Memorandum”	the memorandum of association of Heritage
“MMbbls”	millions of barrels
“NI 51-101”	National Instrument 51-101 — <i>Standards of Disclosure for Oil and Gas Activities</i> of the Canadian Securities Administrators
“NI 71-102”	National Instrument 71-102 — <i>Continuous Disclosure and Other Exemptions Related to Foreign Issuers</i> of the Canadian Securities Administrators
“Offer Period”	the offer period (as defined in the City Code) relating to Heritage, which commenced on 30 April 2014
“Official List”	the Official List of the UKLA
“Opening Position Declaration”	has the meaning given to it in the City Code
“Ordinary Resolution”	the ordinary resolution to be considered at the Independent Shareholders’ Meeting to approve the Buckingham Arrangements

“Ordinary Shares”	ordinary shares of no par value in the capital of Heritage
“Overseas Persons”	Heritage Shareholders who are resident of, or otherwise subject to the jurisdiction of, laws and regulations other than those of the United Kingdom or Jersey
“Panel”	the Panel on Takeovers and Mergers
“Performance Condition”	has the meaning given to such term in the 2008 LTIP or the 2011 LTIP (as applicable)
“PRA”	the UK Prudential Regulation Authority in its capacity as the competent authority for the purposes of prudential regulation of systemically important financial institutions, including banks, building societies and insurers
“Press Announcement”	the joint announcement of the Acquisition, dated 30 April 2014, made by Al Mirqab and Heritage in accordance with Rule 2.7 of the City Code
“Regulation”	Council Regulation (139/2004/EC) of 20 January 2004 on the control of concentrations between undertakings
“QInvest”	QInvest LLC
“Registrar of Companies”	the Registrar of Companies for Jersey
“Remuneration Committee”	the remuneration committee of the Heritage Board from time to time
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Shareholders in that jurisdiction
“Retained Shares”	57,748,991 of the Ordinary Shares legally and beneficially owned by Albion which will be retained post completion of the Acquisition in accordance with the Shareholders’ Agreement
“Scheme”	the scheme of arrangement to be made under Article 125 of the Jersey Companies Law between Heritage and the Scheme Shareholders, as set out in Part V of this document
“Scheme Court Hearing”	the hearing by the Court, following the Court Meeting, of the petition to sanction the Scheme
“Scheme Court Hearing Date”	the date of the Scheme Court Hearing
“Scheme Court Order”	the Act of the Court sanctioning the Scheme under Article 125 of the Jersey Companies Law
“Scheme Record Time”	6:00 p.m. (London time) on the Business Day on which the Scheme Court Order is made
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<ul style="list-style-type: none"> (i) the existing, unconditionally allotted and/or issued Ordinary Shares in issue at the date of this document; (ii) any further Ordinary Shares unconditionally allotted and/or issued after the date of this document and before the Voting Record Time; and (iii) any Ordinary Shares unconditionally allotted and/or issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the

	Scheme,
	in each case other than the Retained Shares and the Excluded Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated 29 April 2014 entered into between Al Mirqab and Albion
“Shoreline”	Shoreline Natural Resources Limited, a company incorporated under the laws of Nigeria with corporate number 927144, whose registered office is at Shoreline House, 46 Industrial Avenue, Lagos, Nigeria, a joint venture company whose shareholders are, directly or indirectly, Heritage and Shoreline Power
“Shoreline Power”	Shoreline Power Company Limited, a company incorporated under the laws of Nigeria with registered number 609314, whose registered office is at Shoreline House, 46 Industrial Avenue, Ilupeju, Lagos, Nigeria
“Special Resolution”	the special resolution to be considered at the Extraordinary General Meeting to alter the Articles and such other matters as may be necessary to implement the Scheme
“Takeover Offer”	means, that should the Acquisition be implemented by way of a takeover offer (as defined in Article 116 of the Jersey Companies Law), the takeover offer to be made by or on behalf of Al Mirqab to acquire the entire issued and to be issued ordinary share capital of Heritage other than the Excluded Shares and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“U.K.” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the U.K. Listing Authority, being the FCA acting in its capacity as the competent authority for listing under Part VI of FSMA
“Uncertificated Securities Order”	the Companies (Uncertificated Securities) (Jersey) Order 1999
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“US Exchange Act”	the United States Securities Exchange Act of 1934
“US Holders”	holders of Ordinary Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Ordinary Shares for persons in the US or with a registered address in the US
“Voting Record Time”	6:00 p.m. (London time) on the day which is two days before the date of the Court Meeting or any adjournment thereof
“VWAP”	volume weighted average price
“Wider Al Mirqab Group”	Al Mirqab and its subsidiary undertakings, associated undertakings and any other undertaking in which Al Mirqab and/or such undertakings (aggregating their interests) have a significant interest
“Wider Heritage Group”	Heritage and its subsidiary undertakings, associated undertakings and any other undertaking in which Heritage and/or such undertakings (aggregating their interests) have a significant interest

PART X — NOTICE OF COURT MEETING

**IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION**

No: 152 of 2014

IN THE MATTER OF HERITAGE OIL PLC

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

NOTICE IS HEREBY GIVEN that, by an order dated 27 May 2014 made in the above matters, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the Independent Shareholders (as defined in the document of which this Notice forms part) of Heritage Oil Plc Ordinary Shares of no par value each (“**Heritage Shares**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) pursuant to Article 125 of the Companies (Jersey) Law 1991 (as amended) proposed to be made between Heritage Oil Plc (“**Heritage**”) and the holders of Scheme Shares (as defined in the Scheme) and that such Court Meeting will be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, JE4 8PX, Jersey, Channel Islands on 23 June 2014 at 9:00 a.m. at which place and time all Independent Shareholders are requested to attend either in person or by proxy.

A copy of the said Scheme and a copy of the statement required to be furnished pursuant to Article 126 of the Companies (Jersey) Law 1991 are incorporated in the document of which this Notice forms part.

Holders of Heritage Shares entitled to attend, speak and vote at the meeting may vote in person at the Court Meeting or they may appoint another person or persons as their proxy or proxies to attend, speak and vote in their stead. A proxy need not be a member of Heritage. A form of proxy for voting at the Court Meeting coloured BLUE is enclosed with this Notice. The BLUE form of proxy may be returned by post in the reply-paid envelope for use in the UK only. Completion and return of a form of proxy will not prevent a holder of Scheme Shares from attending and voting at the Court Meeting, or any adjournment thereof, in person if they wish to do so.

In the case of joint holders of Heritage Shares, any one such joint holders may tender a vote, whether in person or by proxy, at the Court Meeting, but if more than one such holders shall tender a vote the vote of the person named first in the register of members of Heritage shall be accepted to the exclusion of the other joint holder(s).

By the said order, the Court has specified that entitlement to attend and vote at the said Court Meeting of the holders of Heritage Shares and the number of votes which may be cast thereat will be determined by reference to the register of members of Heritage as at 6:00 p.m. on 21 June 2014 or, in the event that the said Court Meeting is adjourned, the register of members of Heritage at 6:00 p.m. on the day which is 48 hours before the date of any adjourned meeting.

It is requested that the BLUE forms of proxy be lodged with Heritage’s registrar, Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom by 9:00 a.m. on 21 June 2014 but if forms are not so lodged, they may be handed to Heritage’s registrar at the venue of the Court Meeting or the Chairman at the Court Meeting before the taking of the poll.

Voting at the Court Meeting will be conducted on a poll rather than a show of hands.

By the said order, the Court has appointed Michael Hibberd to act as Chairman of the Court Meeting (and, failing him for any reason, Gregory Turnbull or, failing him for any reason, any one of John McLeod, Carmen Rodriguez or Mark Erwin) and has directed the Chairman to report the results thereof to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Dated: 27 May 2014

Mourant Ozannes
Advocates and Solicitors to Heritage

Notes:

Scheme Shareholders who are CREST members and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (which can be viewed at www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

*In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Heritage’s registrar, Computershare Investor Services (Jersey) Limited (ID 3RA50) by no later than 9:00 a.m. on 21 June 2014 or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.*

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Heritage may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended).

PART XI — NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF EXTRAORDINARY GENERAL MEETING

HERITAGE OIL PLC

(registered in Jersey No. 99922)

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Heritage Oil Plc (“**Heritage**”) shall be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, JE4 8PX, Jersey, Channel Islands on 23 June 2014 at 9:15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement (the “**Scheme**”) dated 27 May 2014 between Heritage and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form in the circular sent to shareholders of Heritage dated 27 May 2014 or subject to such modification, addition or condition as may be agreed between Heritage and Energy Investments Global Ltd and approved or imposed by the Court:

- (1) the directors of Heritage (excluding Anthony Buckingham) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;
- (2) with effect from the passing of this resolution, the articles of association of Heritage be and are hereby amended by the adoption and inclusion of the following new article 158 after article 157:

“158 Scheme of Arrangement

- 158.1 In this Article 158, references to the Scheme are to the scheme of arrangement dated 27 May 2014 under Article 125 of the Law between the Company and the holders of Scheme Shares (as defined in the Scheme) as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme shall have the same meanings in this Article 158.
- 158.2 Notwithstanding either any other provision of these Articles or the terms of any resolution whether ordinary or special passed by the Company in any general meeting, if the Company issues any Ordinary Shares or any other securities (other than to Energy Investments Global Ltd (“**Bidco**”) or its nominee(s)) at any time on or after the adoption of this Article 158 and on or prior to the Scheme Record Time (as defined in the Scheme), such securities shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such securities shall be bound by the Scheme accordingly.
- 158.3 Notwithstanding any other provision of these Articles, if any Ordinary Shares or any other securities are issued to any person (other than Bidco or its nominee(s)) (the “**New Member**”) at any time after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) (the New Member or any such subsequent holder or any such nominee being the “**New Transferor**”) will, provided the Scheme shall have become effective, be obliged to transfer forthwith all the securities held by the New Transferor (the “**Disposal Securities**”, and, individually, a “**Disposal Security**”), free from all encumbrances, to Bidco (or as Bidco may otherwise direct) who shall be obliged to acquire all of the Disposal Securities in consideration of and conditional on the payment by or on behalf of Bidco to the New Transferor of an amount in cash for each Disposal Security equal to the consideration that the New Transferor would have been entitled to had each Disposal Security been a Scheme Share.
- 158.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per Disposal Security to be paid under Article 158.3 shall be adjusted by the Directors in such manner as the auditors of the Company or an independent investment bank selected by the Directors may determine to be fair and reasonable to the New Transferor to reflect such reorganisation or alteration.

- 158.5 To give effect to any transfer required by this Article 158, the Company may appoint (and separately, to the extent necessary, each New Transferor shall therefore also appoint) any person as the Company may determine as attorney (under the Powers of Attorney (Jersey) Law 1995 any such appointment shall be irrevocable for a period of one year from the date upon which such New Transferor is issued the relevant Disposal Securities for that New Transferor) for the New Transferor to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Transferor in favour of Bidco and/or its nominee and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Disposal Securities in Bidco and/or its nominee and pending such vesting to exercise all such rights in and attaching to the Disposal Securities as Bidco may direct but not otherwise. If an attorney is so appointed, the New Transferor shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Bidco) be entitled to exercise any rights attaching to the Disposal Securities unless so agreed by Bidco. The Company may give good receipt for the purchase price of the Disposal Securities and may register Bidco and/or its nominee as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Transferor for any Disposal Securities. Bidco and/or its nominee shall send a cheque to the New Transferor drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Transferor for the purchase price of such Disposal Securities within 14 days of the date on which the Disposal Securities are transferred to Bidco and/or its nominee.
- 158.6 This Article 158 shall cease to be effective if the Scheme shall not have become effective on or before 29 September 2014, (or such later date, if any, as Bidco and the Company may agree and the Court and the Panel may allow).
- 158.7 Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any Scheme Shares between the Scheme Record Time and the Effective Date.
- 158.8 Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any Ordinary Shares other than pursuant to the Scheme or as provided by this Article 158 but neither the Company nor the Directors may refuse to register the transfer of any Ordinary Shares pursuant to the Scheme or as provided by this Article 158.”

By Order of the Board

Michael J. Hibberd
Chairman
Heritage Oil Plc

27 May 2014

Registered office:
Ordnance House
31 Pier Road
St. Helier
JE4 8PW
Jersey
Channel Islands

Notes:

ENTITLEMENT TO ATTEND AND VOTE

- Heritage, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 and the Articles of Association of Heritage, specifies that only those persons entered on the register of members of Heritage as at 6:00 p.m. on 21 June 2014 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6:00 p.m. on 21 June 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned, members must be entered on Heritage's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or, if Heritage gives notice of the adjourned meeting, at the time specified in that notice.*
- If you are a member of Heritage at the time set out in note 1 above, you are, in addition to being entitled to attend and vote at the meeting, entitled to put questions to Heritage relating to the business being dealt with at the meeting. Heritage must cause to be answered any such question so put except in certain limited circumstances.*

3. *The following documents will be available for inspection during business hours at the office of Computershare Investor Services (Jersey) Limited at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands, the London office of Heritage's U.K. solicitors McCarthy Tétrault at 125 Old Broad Street, London EC2N 1AR and at Heritage's office at Fourth Floor, Windward House, La Route de la Liberation, St Helier, JE2 3BQ, Jersey, Channel Islands and will be available for inspection at the place of the meeting from 8:30 a.m. on the day of the meeting until its conclusion:*

- *the Articles of Association of Heritage*

This Notice of Meeting will also be accessible on Heritage's website (www.heritageoilplc.com), together with the documents referred to above. Heritage's website will also provide the following information in connection with the meeting:

- *the total number of Ordinary Shares in Heritage in respect of which members are entitled to exercise voting rights at the meeting;*
- *the total number of voting rights that members are entitled to exercise at the meeting in respect of the Ordinary Shares; and*
- *members' statements and members' matters of business received by Heritage after the first date on which notice of this meeting is given.*

APPOINTMENT OF PROXIES

4. *If you are a member of Heritage at the time set out in note 1 above, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the meeting instead of you and you should have received a proxy form with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.*
5. *If you are not a member of Heritage but you have been nominated by a member of Heritage to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Persons nominated by a member of Heritage to enjoy information rights that have been sent this Notice of Meeting are hereby informed that they may have the right under an agreement with the registered shareholder by whom they were nominated or appointed, to have someone else appointed, as a proxy for the Meeting. If they do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder who nominated them in respect of these arrangements.*
6. *A proxy does not need to be a member of Heritage but must attend the Meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.*
7. *You may appoint more than one proxy. Further details are set out in the notes to the proxy form.*
8. *A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If in your proxy form no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.*

APPOINTMENT OF PROXY USING HARD COPY PROXY FORM

9. *The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.*
10. *To appoint a proxy using the proxy form, the form must be:*
- *completed and signed; and*
 - *sent or delivered to Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom no later than 48 hours before the time appointed for the meeting.*

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

ELECTRONIC APPOINTMENT OF PROXIES

11. *As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by emailing the proxy form to: info@computershare.co.je. For an electronic proxy appointment to be valid, your appointment must be received by Computershare Investor Services (Jersey) Limited no later than 48 hours before the time appointed for the meeting.*

APPOINTMENT OF PROXY ELECTRONICALLY THROUGH CREST

12. *CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting or any adjournment(s) thereof by using the procedures in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointment proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID number 3RA50) by no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.*

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Heritage may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

APPOINTMENT OF PROXY BY JOINT MEMBERS

13. *In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in Heritage’s register of members in respect of the joint holding (the first named being the most senior).*

CHANGING PROXY INSTRUCTIONS

14. *To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.*

Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

TERMINATION OF PROXY APPOINTMENTS

15. *In order to revoke a proxy instruction you will need to inform Heritage by using one of the following methods:*

- *By sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.*
- *By sending an email request to info@computershare.co.je no later than one hour before the commencement of the Meeting.*

In either case, the revocation notice must be received by Computershare Investor Services (Jersey) Limited no later than one hour before the commencement of the Extraordinary General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

CORPORATE REPRESENTATIVES

16. *In the case of a member which is a company, voting may be facilitated by corporate representatives at the meeting, so that:*
- *each person duly authorised to act as a corporate representative who is the holder of Ordinary Shares shall be entitled to exercise on behalf of such holder the same powers (in respect of the number of Ordinary Shares held by the relevant holder for which the relevant person is appointed its representative) as such holder of Ordinary Shares could exercise if it were a natural person;*
 - *if a corporate member appoints more than one representative (but subject to the voting instructions (if any) given by the member), no representative need cast all the votes used by him in respect of any resolution in the same way as any other representative or any proxy appointed by the member;*
 - *where a person is authorised to represent a corporate member at the meeting, the Heritage Directors or the Chairman of the meeting may require him to produce a certified copy of the resolution from which he derives his authority;*
 - *any corporation which is a member of Heritage may appoint more than one person to act as its representative. If a corporation which is a member of Heritage appoints more than one person to act as its representative, each resolution (and each instrument of appointment) shall (in relation to a member who is a holder of Ordinary Shares) specify the number of Ordinary Shares held by such member for which the relevant person is appointed its representative; and*
 - *for the avoidance of doubt, any corporate member may by resolution of its directors or other governing body appoint, in addition to the corporate representatives (if any) appointed by it, any number of persons to act as its proxy at the meeting in respect of (in relation to a corporate member which is a holder of Ordinary Shares) any Ordinary Shares held by such holder in respect of which no corporate representative is appointed.*

ISSUED SHARES AND TOTAL VOTING RIGHTS

- 17 *As at 23 May 2014, Heritage's issued share capital comprised 277,925,878 Ordinary Shares of no par value excluding treasury shares held by Heritage. On a show of hands each member who holds Ordinary Shares and is present in person or by proxy shall have one vote. On a poll, each member who holds Ordinary Shares and is present in person or by proxy shall have one vote for every Ordinary Share of which he, she or it is the holder.*

COMMUNICATION

18. *Except as provided above, members who have general queries about the meeting should contact Computershare Investor Services Plc at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands or by telephone on +44 (0)870 707 4040. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of Meeting or in any related documents (including the Chairman's Letter and the proxy form) to communicate with Heritage for any purposes other than those expressly stated.*

ENTRY TO EXTRAORDINARY GENERAL MEETING

20. *Members should note that the doors to the meeting will open at 8:30 a.m. on the date appointed for the meeting.*

PART XII — NOTICE OF INDEPENDENT SHAREHOLDERS' MEETING

NOTICE OF INDEPENDENT SHAREHOLDERS' MEETING

HERITAGE OIL PLC

(registered in Jersey No. 99922)

NOTICE IS HEREBY GIVEN that an INDEPENDENT SHAREHOLDERS' MEETING of Heritage Oil Plc ("Heritage") shall be held at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, JE4 8PX, Jersey, Channel Islands on 23 June 2014 at 9:30 a.m. (or as soon thereafter as the Extraordinary General Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as an ordinary resolution:

ORDINARY RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement (the "Scheme") dated 27 May 2014 between Heritage and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between Heritage and Energy Investments Global Ltd ("Bidco") and approved or imposed by the Royal Court of Jersey, with effect from the passing of this resolution, the Buckingham Arrangements (as defined in the Scheme) are hereby approved.

By Order of the Board

Michael J. Hibberd
Chairman
Heritage Oil Plc

27 May 2014

Registered office:
Ordnance House
31 Pier Road
St. Helier
JE4 8PW
Jersey
Channel Islands

Notes:

ENTITLEMENT TO ATTEND AND VOTE

1. *Heritage, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 and the Articles of Association of Heritage, specifies that only those persons entered on the register of members of Heritage as at 6:00 p.m. on 21 June 2014 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6:00 p.m. on 21 June 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned, members must be entered on Heritage's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or, if Heritage gives notice of the adjourned meeting, at the time specified in that notice.*
2. *If you are a member of Heritage at the time set out in note 1 above, you are, in addition to being entitled to attend and vote at the meeting, entitled to put questions to Heritage relating to the business being dealt with at the meeting. Heritage must cause to be answered any such question so put except in certain limited circumstances.*
3. *The following documents will be available for inspection during business hours at the office of Computershare Investor Services (Jersey) Limited at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands, the London office of Heritage's U.K. solicitors McCarthy Tétrault at 125 Old Broad Street, London EC2N 1AR and at Heritage's office at Fourth Floor, Windward House, La Route de la Liberation, St. Helier, JE2 3BQ, Jersey, Channel Islands and will be available for inspection at the place of the meeting from 8:30 a.m. on the day of the meeting until its conclusion:*

- *The Articles of Association of Heritage*

This Notice of Meeting will also be accessible on Heritage's website (www.heritageoilplc.com), together with the documents referred to above. Heritage's website will also provide the following information in connection with the meeting:

- the total number of Ordinary Shares in Heritage in respect of which members are entitled to exercise voting rights at the meeting;
- the total number of voting rights that members are entitled to exercise at the meeting in respect of the Ordinary Shares; and
- members' statements and members' matters of business received by Heritage after the first date on which notice of this meeting is given.

APPOINTMENT OF PROXIES

4. If you are a member of Heritage at the time set out in note 1 above, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the meeting instead of you and you should have received a proxy form with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. If you are not a member of Heritage but you have been nominated by a member of Heritage to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Persons nominated by a member of Heritage to enjoy information rights that have been sent this Notice of Meeting are hereby informed that they may have the right under an agreement with the registered shareholder by whom they were nominated or appointed, to have someone else appointed, as a proxy for the Independent Shareholders' Meeting. If they do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the registered shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder who nominated them in respect of these arrangements.
6. A proxy does not need to be a member of Heritage but must attend the Independent Shareholders' Meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
7. You may appoint more than one proxy. Further details are set out in the notes to the proxy form.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If in your proxy form no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

APPOINTMENT OF PROXY USING HARD COPY PROXY FORM

9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
10. To appoint a proxy using the proxy form, the form must be:
 - completed and signed; and
 - sent or delivered to Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom no later than 48 hours before the time appointed for the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

ELECTRONIC APPOINTMENT OF PROXIES

11. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by emailing the proxy form to: info@computershare.co.je. For an electronic proxy appointment to be valid, your appointment must be received by Computershare Investor Services (Jersey) Limited no later than 48 hours before the time appointed for the meeting.

APPOINTMENT OF PROXY ELECTRONICALLY THROUGH CREST

12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting or any adjournment(s) thereof by using the procedures in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a

previously appointment proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Heritage may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

APPOINTMENT OF PROXY BY JOINT MEMBERS

13. *In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in Heritage's register of members in respect of the joint holding (the first named being the most senior).*

CHANGING PROXY INSTRUCTIONS

14. *To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.*

Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

TERMINATION OF PROXY APPOINTMENTS

15. *In order to revoke a proxy instruction you will need to inform Heritage by using one of the following methods:*

- *By sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, United Kingdom. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.*
- *By sending an email request to info@computershare.co.je no later than one hour before the commencement of the meeting.*

In either case, the revocation notice must be received by Computershare Investor Services (Jersey) Limited no later than one hour before the commencement of the Independent Shareholders' Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

CORPORATE REPRESENTATIVES

16. *In the case of a member which is a company, voting may be facilitated by corporate representatives at the meeting, so that:*
- *each person duly authorised to act as a corporate representative who is the holder of Ordinary Shares shall be entitled to exercise on behalf of such holder the same powers (in respect of the number of Ordinary Shares held by the relevant holder for which the relevant person is appointed its representative) as such holder of Ordinary Shares could exercise if it were a natural person;*

- *if a corporate member appoints more than one representative (but subject to the voting instructions (if any) given by the member), no representative need cast all the votes used by him in respect of any resolution in the same way as any other representative or any proxy appointed by the member;*
- *where a person is authorised to represent a corporate member at the meeting, the Heritage Directors or the Chairman of the meeting may require him to produce a certified copy of the resolution from which he derives his authority;*
- *any corporation which is a member of Heritage may appoint more than one person to act as its representative. If a corporation which is a member of Heritage appoints more than one person to act as its representative, each resolution (and each instrument of appointment) shall (in relation to a member who is a holder of Ordinary Shares) specify the number of Ordinary Shares held by such member for which the relevant person is appointed its representative; and*
- *for the avoidance of doubt, any corporate member may by resolution of its directors or other governing body appoint, in addition to the corporate representatives (if any) appointed by it, any number of persons to act as its proxy at the meeting in respect of (in relation to a corporate member which is a holder of Ordinary Shares) any Ordinary Shares held by such holder in respect of which no corporate representative is appointed.*

ISSUED SHARES AND TOTAL VOTING RIGHTS

- 17 *As at 23 May 2014, Heritage's issued share capital comprised 277,925,878 Ordinary Shares of no par value excluding treasury shares held by Heritage. On a show of hands each member who holds Ordinary Shares and is present in person or by proxy shall have one vote. On a poll, each member who holds Ordinary Shares and is present in person or by proxy shall have one vote for every Ordinary Share of which he, she or it is the holder. However, in relation to the meeting, Albion Energy Limited and Anthony Buckingham, who in aggregate have an interest in 94,669,850 Ordinary Shares as at the date hereof, have agreed not to vote at the meeting, and as such the voting share capital for the purposes of the meeting will be 183,256,028 Ordinary Shares.*

COMMUNICATION

18. *Except as provided above, members who have general queries about the meeting should contact Computershare Investor Services (Jersey) Limited at Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, Channel Islands or by telephone on +44 (0)870 707 4040. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of Meeting or in any related documents (including the Chairman's Letter and the proxy form) to communicate with Heritage for any purposes other than those expressly stated.*

ENTRY TO INDEPENDENT SHAREHOLDERS' MEETING

20. *Members should note that the doors to the meeting will open at 8:30 a.m. on the date appointed for the meeting.*