

ETABLISSEMENTS **MAUREL & PROM**

SOCIETE EN COMMANDITE PAR ACTIONS AU CAPITAL DE 59.756.843,32 EUROS

HERITAGE OIL & GAS LIMITED

St Peter Port, Guernsey,
Channel Islands, GY1 2NL

FAO: Monsieur Micael GULBENKIAN

Paris the 30th of June 2004,

RE: Memorandum 9th of June 2004 – call option

Dear Sir,

Maurel et Prom SCA ('Maurel & Prom') and Heritage Oil & Gas Limited ('Heritage') have signed on the 9th of June 2004 a memorandum of understanding (the 'Memorandum') regarding the purchase by Maurel & Prom of the Royalty (as described in the Memorandum).

Following the terms of the Memorandum, Heritage has agreed that Maurel & Prom purchase an irrevocable call option on the Royalty (the 'Option'). This Option can be exercised until the 30th of July 2004, midnight Paris time.

In accordance with article 1.2 of the Memorandum, Maurel & Prom through this letter specifically declares that it exercises the Option to purchase the Royalty owned by Heritage.

Moreover, Maurel & Prom concedes, hence Heritage acquires, 7% of interests in the La Noubi permit for an amount of USD 7M in accordance with the Memorandum.

Therefore, Maurel & Prom agrees to pay USD 9.400.000 (nine million four hundred thousand Dollars US), that corresponds to USD 16.4M owed by Maurel & Prom that is compensated by the amount of USD 7M owed by Heritage Oil for the transfer of the 7% interests of the La Noubi permit.

However, as orally agreed, and notwithstanding the stipulations of the Memorandum, Heritage grants Maurel & Prom a deadline for payment of one week from the date of this letter. Maurel & Prom will pay USD 9.400.000 on Friday 9th of July 2004 at the latest.

For good keeping of this record, we would appreciate if you could sign and return this document to us in order to confirm your agreement.

Yours,

M. Frederic BOULET

M. Micael GULIBENKIAN

-----, 30th June 2004