

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Heritage Oil Corporation (“**Heritage**” or the “**Company**”)
260 Petex Building,
600 – 6th Avenue S.W.
Calgary, Alberta T2P 0S5

Item 2. Date of Material Change

February 22, 2008

Item 3. News Release

A news release was disseminated through the services of Canada Newswire on February 22, 2008.

Item 4. Summary of Material Change

Heritage announced a proposed reorganization, to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta), which will result in a newly incorporated, Jersey, Channel Islands company, Heritage Oil Limited (“Heritage Jersey”), becoming the parent company of Heritage and its current subsidiaries.

Item 5.1. Full Description of Material Change

Heritage announced that it is seeking to implement a corporate reorganization which will result in Heritage Jersey becoming the parent company of Heritage and its current subsidiaries. Upon completion of the reorganization, Heritage Jersey's corporate head office will be located in the Channel Islands and Heritage Jersey will be subject to The Companies (Jersey) Law 1991 (as amended). In connection with the reorganization, Heritage Jersey will be seeking to list its ordinary shares (“Heritage Jersey Shares”) on the Official List of the United Kingdom Listing Authority (the “UKLA”) and to trading on the Main Market of the London Stock Exchange plc (the “LSE”) (collectively, “Admission”). Heritage intends to delist its existing Common Shares (“Heritage Shares”) from the Toronto Stock Exchange (the “TSX”) and obtain a listing for a new class of exchangeable shares (the “Exchangeable Shares”) on the TSX.

JPMorgan Cazenove Limited has been appointed to advise Heritage on the reorganization and to act as Heritage Jersey's sponsor in connection with Admission.

As part of the reorganization, to be implemented by way of court-approved plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (Alberta),

Heritage will be seeking to effectively split its stock such that each existing Heritage Share will be exchanged for either ten Heritage Jersey Shares or ten Exchangeable Shares in accordance with the terms of the Arrangement.

A special meeting of Heritage shareholders and Heritage optionholders has been scheduled for March 20, 2008. In order to proceed, the Arrangement must be approved by not less than 66 2/3% of the votes cast by Heritage shareholders, and by not less than 66 2/3% of the votes cast by Heritage shareholders and Heritage optionholders voting together at the special meeting. The completion of the Arrangement is also subject to various regulatory or similar approvals, including from the TSX, the UKLA, the LSE, the Jersey Financial Services Commission and the Court of Queen's Bench of Alberta. It is expected that the Arrangement will be completed by the end of March 2008.

Under the terms of the Arrangement, Canadian residents will be able to elect to exchange each of their Heritage Shares for either ten Exchangeable Shares or ten Heritage Jersey Shares. Different tax consequences attach to the different elections, and each shareholder is advised to consult their own tax advisors. Each Exchangeable Share will be exchangeable for one Heritage Jersey Share at any time, in accordance with the mechanism set out below. Heritage shareholders who are not residents of Canada will only be able to exchange each of their Heritage Shares for ten Heritage Jersey Shares. The Exchangeable Shares will be securities of Heritage that are, as nearly as practicable, the economic equivalent of Heritage Jersey Shares, and will have, subject to certain limitations, the following rights: (i) the right to exchange their Exchangeable Shares for Heritage Jersey Shares at any time on a one-for-one basis; (ii) the right to receive dividends, on a per share basis, in amounts, or property in the case of non-cash dividends, which are the same as, and which are payable at the same time as, dividends declared on the Heritage Jersey Shares; (iii) the effective right to vote at Heritage Jersey shareholder meetings on the basis of one vote for each Exchangeable Share outstanding; (iv) the right to participate in the case of an insolvency proceeding of Heritage Jersey on a pro rata basis with the holders of the Heritage Jersey Shares; and (v) the right to participate in the event of a change of control of Heritage Jersey on a pro rata basis with the holders of the Heritage Jersey Shares. The Exchangeable Shares will be subject to mandatory exchange on or after the seventh anniversary of the effective date of the Arrangement, subject to earlier mandatory exchanges in prescribed circumstances.

Canadian resident holders of Heritage Shares who do not submit a completed Letter of Transmittal and Election Form or, in the case of beneficial shareholders, do not provide election instructions through their broker or other intermediary by the election deadline for the Arrangement on March 18, 2008, will be deemed to have elected to receive Heritage Jersey Shares upon completion of the Arrangement.

Consistent with the treatment of the Heritage Shares, the Arrangement will result in each outstanding option to purchase Heritage Shares being exchanged for ten

options to purchase Heritage Jersey Shares, and the exercise price for the options to be divided by a factor of ten and converted into pounds sterling of the United Kingdom from Canadian dollars.

Upon completion of the Arrangement, it is expected that current Heritage directors Messrs. Buckingham, Atherton, Hibberd and Turnbull will be appointed as directors of Heritage Jersey. Additional independent directors may also be appointed to the Heritage Jersey board in due course. Messrs. Buckingham and Atherton will serve as the Chief Executive Officer and Chief Financial Officer of Heritage Jersey, respectively.

The Board of Directors of Heritage has unanimously approved the Arrangement and determined that the Arrangement is in the best interests of Heritage and the Heritage shareholders and Heritage optionholders and recommends that all Heritage shareholders and Heritage optionholders vote for the Arrangement, as the Board of Directors intend to do in relation to Heritage Shares in which they are invested.

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable. This material change report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

For further information contact:

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Item 9. Date of Report

February 27, 2008