EUROPEAN GAS LIMITED

RECOMMENDED SHARE AND CASH OFFER BY AMBRIAN PARTNERS LIMITED ON BEHALF OF EUROPEAN GAS LIMITED FOR HERITAGE PETROLEUM PLC

OFFER DECLARED UNCONDITIONAL IN ALL RESPECTS SAVE FOR ADMISSION OF NEW EUROPEAN GAS SHARES TO TRADING ON THE ASX

On 15 December 2006, European Gas Limited ('European Gas') announced a recommended share and cash offer for the entire issued and to be issued share capital of Heritage Petroleum Plc ('Heritage') ('the Offer'). The Offer Document setting out the full terms of the Offer was posted to Heritage Shareholders on 15 December 2006.

On 16 January 2007, approval was granted by European Gas Shareholders in general meeting for New European Gas Shares to be issued as consideration under the terms of the Offer.

On 17 January 2007, it was announced that the Offer had been extended and would remain open for acceptance until 1.00 p.m. (London time) on 30 January 2007.

The directors of European Gas are pleased to announce that, as at 1.00 p.m. (London time) on 30 January 2007, being the second closing date of the Offer, valid acceptances had been received in respect of a total of 47,983,264 Heritage Shares, representing approximately 84.1 per cent. of the existing issued ordinary share capital of Heritage.

At the date of this announcement, irrevocable undertakings to accept the Offer are outstanding in respect of 1,585,528 Heritage Shares representing approximately 2.8 per cent. of the existing issued ordinary share capital.

Accordingly, as at 1.00 p.m. (London time) on 30 January 2007, European Gas had received valid acceptances and had outstanding irrevocable undertakings to accept the Offer in respect of a total of 49,568,792 Heritage Shares representing approximately 86.9 per cent. of the existing issued ordinary share capital.

In accordance with the conditions of the Offer, the board of European Gas has waived the requirement to receive acceptances in respect of not less than 90 per cent. of the Heritage Shares to which the Offer relates and has decided to declare the Offer unconditional as to acceptances.

All of the other conditions to the Offer, as set out in the Offer Document, have either been satisfied or, if not satisfied, waived, save for the condition as to Admission to trading on the ASX of the New European Gas Shares issued in respect of acceptances validly received as at the date of this announcement. Application has today been made to the ASX for the Admission of such New European Gas Shares and dealings are expected to commence on 2 February 2007.

INTENDED DE-LISTING OF HERITAGE FROM PLUS MARKETS

It is the intention of European Gas that should the Offer become wholly unconditional, application will be made for the Heritage Shares to be de-listed from trading on PLUS Markets.

EXTENSION OF THE OFFER

European Gas announces that the Offer has been extended and will remain open for acceptance until further notice and for a minimum period of 14 days until 1.00 p.m. (London time) on 13 February 2007.

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TO ACCEPT THE OFFER

To accept the Offer in respect of Heritage Shares held in certificated form (that is, not in CREST), the Form of Acceptance accompanying the Offer Document should be completed, signed and returned by post, together with the relevant share certificate(s) and/ or other document(s) of title, in the reply-paid envelope enclosed with the Offer Document and Form of Acceptance of (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom as soon as possible and, in any event, so as to be received no later than 1.00 p.m. (London time) on 13 January 2007. Additional Forms of Acceptance are available from Capita Registrars on 0870 162 3121 or if calling from outside the United Kingdom on +44 208 639 2157.

If your Heritage Shares are held in uncertificated form (that is, held in CREST), acceptances should be made electronically through CREST so that the TTE instruction settles as soon as possible and, in any event, not later than 1.00 p.m. on 30 January 2007 by following the procedure set out in paragraph 14 (e) of the letter from Ambrian contained in Part 2 of the Offer Document.

If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instructions to CRESTCo.

OFFER TO HOLDERS OF HERITAGE WARRANTS

On 15 December 2006 European Gas also made an offer equivalent to the Offer to holders of Heritage Warrants. The offer to holders of Heritage Warrants provides a right for the holders of Out-of-the-Money Heritage Warrants to elect to cancel such Out-of-the-Money Heritage Warrants in exchange for a grant of New European Gas Options on the basis of 0.55 New European Gas Options for each Out-of-the-Money Heritage Warrant cancelled, and so in proportion for any other number of Out-of-the-Money Heritage Warrants cancelled.

Each New European Gas Option will give the holder thereof the right to subscribe for one European Gas Share at a price of A$1.00 per European Gas Share at any time prior to 28 February 2009.

As at 1.00 p.m. (London time) on 30 January 2007, European Gas had received valid acceptances of the offer to holders of Heritage Warrants in respect of 2,812,308 Heritage Warrants representing 67.0 per cent. of Heritage Warrants.

Terms defined in the Offer Document have the same meaning in this announcement.

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Ambrian Partners is acting for European Gas in connection with the matters referred to above and no one else and will not be responsible to anyone other than European Gas for providing the protections offered to clients of Ambrian Partners nor for providing advice in relation to the matters referred to above.

Ruegg & Co Limited is acting for Heritage in connection with the matters referred to above and
no one else and will not be responsible to anyone other than Heritage for providing the protections offered to clients of Ruegg & Co Limited nor for providing advice in relation to the matters referred to above.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities pursuant to the Offer or otherwise. The Offer is made solely by the Offer Document and the Form of Acceptance which contain the full terms and condition of the Offer, including details of how the Offer may be accepted.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, directly or indirectly, in or into, and is not capable of acceptance in or from the United States, Canada, the Republic of Ireland, the Republic of South Africa or Japan. In addition, it is not currently intended that the Offer will be made, directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States and it is not currently intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facility or from within the United States. Accordingly, copies of this document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada, the Republic of Ireland, the Republic of South Africa or Japan. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in, into or from the United States, Canada, the Republic of Ireland, the Republic of South Africa or Japan.

The availability of the Offer to Heritage Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Heritage Shareholders who are not so resident should inform themselves about, and observe such applicable requirements. Further information in relation to Overseas Shareholders of Heritage is contained in the Offer Document.

The Directors of European Gas accept responsibility for the information contained in this announcement, other than the information relating to Heritage and the Heritage Directors and their immediate families, related trusts and connected persons (within the meaning of section 346 of the Act) for which the Heritage Directors accept responsibility. To the best of the knowledge and belief of the Directors of European Gas (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors of Heritage accept responsibility for the information contained in this announcement relating to Heritage and themselves and their immediate families, related trusts and connected persons (within the meaning of section 346 of the Act). To the best of the knowledge and belief of the Directors of Heritage (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.