



19 May 2015

**Chariot Oil & Gas Limited**

("Chariot", the "Company" or the "Group")

**Update on farm-out agreement with AziLat, a subsidiary of Azimuth**

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces that the farm-out agreement with AziLat Limited ("AziLat") on the BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314 licences (the "Licences") in the Barreirinhas basin, Brazil has been terminated.

Since initial agreement, which was announced on 20 August 2014, AziLat has requested amendments to the commercial terms of the farm-out which are unacceptable to Chariot as they do not reflect the high potential of the assets and are therefore not in the interests of the Company nor its shareholders. As a result, AziLat will no longer acquire a 25% working interest in the Licences. The final equity transfer to AziLat was still awaiting the fulfilment of certain conditions precedent, including the granting of formal approval from the Brazilian authorities and this process has now been discontinued.

Within its Licences, which are conjugate to proven basins in Cote d'Ivoire and Ghana, Chariot has identified evidence of sufficient burial of the Cenomanian-Turonian source rock for hydrocarbon generation, supported by potential seismic direct hydrocarbon indicators. In addition, a large roll-over structure has been identified with deep-water turbidite seismic facies and fan entry points. Chariot anticipates 10 wells to be drilled in this basin, one in the block adjacent. Given its fast follower positioning, this activity will occur with sufficient time for Chariot to integrate its proprietary 3D data with that of third party drilling results, prior to entering its own drilling commitment. A dataroom remains open for interested parties.

Chariot is fully funded for all of its commitments with a strong cash balance of US\$53.5 million (as at 31 December 2014) and the Company's Brazilian 3D seismic programme over the Licences remains planned for H2 2015.

Larry Bottomley, CEO commented:

*"Whilst it is disappointing that we will not be moving forward with AziLat in our exploration efforts offshore Brazil, we remain committed to our plans here and will continue to seek a technically competent and financially secure partner for these licences. In the meantime, we will retain a focus on risk management and capital discipline. With its long licence duration and strong cash balance, Chariot has the time and financial flexibility to pursue its stated objectives."*

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**NOTES TO EDITORS**

**About Chariot**

Chariot Oil & Gas Limited is an independent oil and gas exploration group. It holds licences covering four blocks in Namibia, one block in Mauritania, three blocks in Morocco and four licences in the Barreirinhas Basin offshore Brazil. All of these blocks are currently in the exploration phase.

The ordinary shares of Chariot Oil & Gas Limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.