



20 August 2014

Chariot Oil & Gas Limited

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

Farm-out Agreed in Brazil with AziLat, a subsidiary of Azimuth

Highlights:

- AziLat to acquire a 25% working interest in Chariot's BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314 blocks in the Barreirinhas Basin, Brazil
- AziLat to pay an increased proportion equal to 50% of the costs of the 3D seismic acquisition to be shot across the blocks in 2015 and subsequent processing
- Chariot to retain operatorship and a 75% working interest
- Additional partnering process underway to further mitigate risk

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, is pleased to announce that its wholly owned subsidiary, Chariot Brasil Petróleo e Gás Ltda., has signed a farm-out agreement with AziLat Limited ("AziLat") through its local subsidiary AziBras Exploração de Petróleo e Gás Ltda. ("AziBras"). Following completion of this agreement, which is subject to the approval of the Brazilian authorities, AziLat will hold a 25% equity interest in Chariot's BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314 blocks in the Barreirinhas Basin, in return for paying 50% of the 3D seismic acquisition and processing costs to be incurred across these blocks. Chariot will remain Operator with a 75% equity interest.

AziLat is a subsidiary of the Azimuth Group ("Azimuth"). Azimuth holds 41 oil and gas exploration licences in seven countries worldwide including Namibia, where AziNam, also a subsidiary of Azimuth, is partnered with Enigma Oil and Gas (PTY) Ltd., a wholly-owned subsidiary of Chariot, in the Central Blocks. Azimuth is backed by financial sponsor Seacrest Group, a global energy investment group.

The BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314 blocks, which span a combined area of 768km², are located in the Barreirinhas Basin, approximately 70km offshore, and lie in water depths ranging from 85m to 1,700m. The Barreirinhas Basin lies on the north-eastern coast of Brazil, along the transform margin and is conjugate to basins in Côte d'Ivoire and Ghana, where major oil and gas fields have been discovered in recent years. Evidence suggests that these same petroleum systems are present offshore Brazil, making this a giant potential frontier basin.

From existing 2D seismic datasets Chariot has identified on-block evidence of sufficient burial of the Cenomanian-Turonian source rock for hydrocarbon generation, supported by potential seismic direct hydrocarbon indicators. Further to this, a large roll-over structure has been identified with deepwater turbidite seismic facies and fan entry points. Whilst this is a frontier province with only three deepwater wells to date, the giant discoveries on the conjugate margin in Ghana have demonstrated the same deepwater play components of source, reservoir and seal encountered in wells drilled adjacent to Chariot's acreage.

In order to assess this potential, Chariot is in the process of tendering for a 3D seismic survey of approximately 1000km² across its four offshore blocks which it expects to carry out in H1 2015. This will fulfil all current commitments on its blocks in Brazil. The Environmental Impact Assessment, a requisite process to complete in advance of commencing this survey, is currently underway.

An additional seismic partnering process has been initiated on this acreage to further mitigate risk and financial exposure. Updates to the market will be provided as appropriate. Subject to additional partnering, drilling could take place in H2 2016 or 2017.

Larry Bottomley, CEO commented:

"We are delighted to announce this partnership with AziLat which continues the delivery of our risk management strategy of levered partnering. This unsolicited approach is testament to Chariot's ability to access high potential exploration acreage, and has been founded on the relationship we have developed with Azimuth in Namibia. In line with our strategy, we will look to add further partners to fully fund each phase of major investment as we continue to de-risk these assets.

Our recent placing and this farm-out have provided us with the financial flexibility to accelerate our work programme and undertake the 3D acquisition across our Brazilian acreage as soon as possible, allowing us to take advantage of the current seismic market conditions. We are pleased with our positioning in our blocks in Brazil, where, as with our other assets, there is high industry activity and interest. Ten deepwater wells are to be drilled in the Barreirinhas Basin within the next four years, with one expected to commence in the next six months."

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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 eight 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'.

About AziLat

AziLat is a South America focused oil and gas exploration company. AziLat is one of five regional companies established by the Azimuth Group ("Azimuth"). Azimuth holds 41 exploration licences covering 115 blocks or part blocks offshore Asia-Pacific, Ireland, Norway, the United Kingdom and Namibia held through AziPac Ltd (www.azipacexploration.com), AzEire Petroleum Ltd (www.azeire.com), AziNor Petroleum Ltd (www.azinorpetroleum.com) and AziNam Ltd (www.azinam.com), respectively. Azimuth is partnering in three exploration wells in H2 2014.

Azimuth Group is managed and backed by Seacrest Group, a leading global energy investor.

Seacrest Group is a leading energy investor specialising in offshore exploration, leveraging its proprietary assets and relationships to build a diversified, global portfolio of regionally focused oil and gas exploration companies. Since 2011, Seacrest Group has created and invested in a number of successful exploration companies in the United Kingdom and Norwegian North Sea, West Africa, Ireland and South East Asia. These investments are held as subsidiary companies of the Azimuth Group.