



28 August 2014

Chariot Oil & Gas Limited

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

New licences granted for Blocks 2312 & 2412A (the Central Blocks) and Southern Block 2714A, Namibia and Update on Namibian Portfolio

Highlights:

- New licence granted for Blocks 2312 and 2412A (the Central Blocks)
- New licence granted for Southern Block 2714A
 - Licences renewed to secure further optionality and strengthen negotiating position
 - Repositioning in line with fast follower and risk management strategy
 - Forward programmes focused on de-risking and realising the value of the assets

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces an update on its Namibian portfolio, its repositioning in the region and forward work programmes across these licences. These steps improve Chariot's negotiating position in partnering discussions and provide further commercial optionality. The move also aligns this part of Chariot's portfolio with its strategy of being a fast follower and managing risk whilst retaining significant equity and acreage positions. In line with this strategy, Chariot will aim to proceed towards the drilling phase across its Namibian acreage following appropriate geological and financial de-risking.

Within the Central blocks, Chariot has been awarded a new licence (covering blocks 2312 A&B and 2412 A&B (Northern Halves)), and these have been renamed as blocks 2312 and 2412A. At the end of August 2014, the preceding licence was due to enter into the drilling phase. In order to ensure that Chariot is able to maintain a leveraged position and secure the best possible commercial terms during partnering negotiations, management determined that it would be strategically advantageous to remove this obligation from the licence. As a result, and in alignment with its partner, AziNam Limited ("AziNam"), the Company chose to relinquish the licence and secure a new licence with no well commitment in the Initial Exploration Phase.

As a result of the reapplication and successful re-award of this licence, Chariot's wholly owned subsidiary, Enigma Oil & Gas PTY ("Enigma") remains operator with a 65% equity interest in the blocks, AziNam hold 20% and NAMCOR (the Namibian State Oil Company) and a local partner, Ignitus Oil and Gas (PTY) hold a 10% and 5% carried interest respectively. As a result of this new award, the licence enters the Initial Exploration period which has a duration of three years and a work programme commitment requiring the acquisition and processing of up to 1,500km² of 3D seismic within this timeframe. This agreement covers the same area as the previous licence of 16,800km² and commenced as of the 27th August 2014.

Industry interest in Namibia remains high with several major oil companies having recently entered the country. These companies have entered on seismic options allowing them to act as fast followers. For this reason, Chariot has also positioned itself in the Central Blocks in order to provide this optionality to

interested parties that may seek further technical development on the licence prior to drilling. Discussions with interested parties continue and Chariot will update the market with progress on partnering as appropriate.

In the South, as noted in the announcement on the 21st July 2014, the partnership of Petrobras, BP and Chariot has elected not to apply for entry into the Second Renewal Exploration period of Block 2714A which would have triggered a well commitment. Following the integration of the Kabeljou well results and recent third party drilling, Chariot continues to see significant potential within this Block as well as in the adjacent Block 2714B. As a result, the Company reapplied for and was awarded Block 2714A, under the new licence granted to Chariot's wholly owned subsidiary, Enigma (Operator, 85%), NAMCOR (10%) and Quiver Oil & Gas (PTY) Limited (5%), the same partner group as for Block 2714B. In doing this Chariot is now exposed to, and operator of, both the deeper, Kudu play prospectivity and the Cretaceous fan fairway identified in the shallower petroleum system within this Southern region.

The licence covers the same area of 5,480km² and commenced on the 27th August 2014. The Initial Exploration period has a three year duration with a work programme requiring the acquisition, or cost equivalent, of acquiring 2,000 line km of 2D seismic data. This will allow the Company to evaluate the prospectivity of the Southern Blocks with a broader view prior to designing its 3D survey and maturing its prospect selection in this region further.

In the Northern Blocks, the results of the recently drilled Welwitschia well are being incorporated with Chariot's proprietary data to evaluate remaining prospectivity. An update for this licence area will be provided in due course.

Chariot's dataset in Namibia, which consists of two well results and 8000km² of 3D seismic data, alongside that of third party activity over the last 18 months, has provided evidence that all elements of three working petroleum systems are present offshore Namibia. It is this prospectivity that has encouraged the recent surge in industry interest and supports Chariot's optimism on the potential of the region, particularly within the Company's asset set. With these new licence positions, Chariot retains its large equity holdings with the ability to deliver transformational growth while partnering at all future significant phases of investment.

Larry Bottomley, CEO commented:

"Namibia continues to be a sizeable part of our portfolio and we see the potential for transformational value within our acreage. Namibia remains a frontier area for exploration, and managing the associated risks remains the focus of the Company. These awards allow us to position our Namibian portfolio as a fast follower, and continue our strategy of sharing risk through partnering. The combination of our knowledge, low-level commitments and recently enhanced financial strength form a solid foundation for our partnering negotiations and decision making.

We would like to thank the Ministry for its continued support in granting these new licences in the Central Blocks and Southern Block 2714A and look forward to working with our partners in progressing the technical maturity and drilling opportunity in these regions. These re-awards are indicative of our long standing relationship with the Namibian government, the work we have carried out there to date and also our commitment to developing the exploration sector over the longer term."

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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'.