

10 May 2016

Chariot Oil & Gas Limited

Corporate Update

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today provides an update on its cost structure and Board changes.

As part of Chariot's ongoing focus on capital discipline and in light of the continuously challenging business environment, the Company will be taking the following actions:

- A reduction in personnel and payroll in the head office by approximately a third.
- A reduction in the size and cost of the Board with Matthew Taylor, Technical Executive Director, David Bodecott, Non-Executive Director and Bill Trojan, Non-Executive Director to step down from the Board. David and Bill will step down immediately and Matthew will retire by rotation at the next AGM but will continue to work with Chariot on a consultancy basis, with particular focus on portfolio de-risking and other technical aspects of the exploration programme.
- Excluding restructuring costs, these changes in association with other G&A initiatives are expected to realise net cash savings of approximately US\$1.5million per year. These savings are in addition to the US\$1.5million cost reduction announced on 5th May, 2015.

The Company continues to be fully funded to more than satisfy all of its current work commitments. In line with Chariot's strategy, the Board regularly reviews expenditure across the business and this decision has been taken as a precautionary measure. Current market conditions remain challenging and these actions reflect the Board's consideration of the best interests for the Company and its stakeholders as well as taking a long term view of the business.

George Canjar, Chairman commented:

"This Board decision to reduce the overall cost base of the Company is directly linked to our continued focus on capital discipline while ensuring that we maintain the capacity to execute the business plan. These changes significantly reduce our G&A while retaining our core exploration expertise, operating capability and project delivery."

"I would like to thank Matthew Taylor, Dave Bodecott and Bill Trojan for their contribution to the Company's technical project review, and strategic guidance. In particular, Matthew has made a significant impact over many years through the initiation and development of the Company's portfolio as well as ensuring the reputation for technical excellence that Chariot enjoys across the industry. I am delighted that he will continue to play a key consulting role as the Company continues to mature the portfolio."

Larry Bottomley, CEO commented:

"Chariot has built a high quality, exploration portfolio and is maturing this to expose stakeholders to the potential for transformational growth through the drilling of material prospects. The Company has been able to position itself within the current environment through focusing on protecting cash, protecting the portfolio, partnering and capitalising on market conditions. These reductions create greater financial flexibility in this "lower for longer" oil price environment."

"Those who will be leaving Chariot have made a significant contribution towards the development of our portfolio and the successful delivery of operations. I would like to thank them for their support and wish each of them the best for the future."

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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, two 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'.