22 June 2022

Chariot Limited

("Chariot" or the "Company")

2021 Final Results

Chariot (AIM: CHAR), the Africa focused transitional energy company, today announces its audited final results for the year ended 31 December 2021.

<u>Transitional Gas:</u>

<u>Anchois Gas Development Project</u>

- Successful drilling campaign of the Anchois-2 well, completed safely, on time and on budget delivering a significant gas discovery.
- An accelerated field development plan underway as the Company looks to progress the front end engineering design ("FEED"), ahead of the final investment decision ("FID").
- Discovery exceeded expectations: 150m net pay confirmed across seven reservoirs, excellent quality and consistent dry gas composition which should enable a simple development.
- MoU on gas offtake and partnering signed with a leading international energy group
- Societe Generale appointed as financial advisor to lead the project financing.
- Collaboration / FEED agreement in place with Subsea Integration Alliance to progress the front-end design, engineering, procurement, construction, installation and operation of the development project.
- Management focussed on progressing towards material cashflows as quickly as possible.

Material upside potential:

- The drilling campaign also directly de-risked a material portfolio of prospects within the Lixus licence area.
- The Rissana Offshore Licence, Morocco was signed in February 2022 which surrounds the Lixus acreage and captures gas play extensions from the Anchois wells.
- Potential for multi Trillion Cubic Feet ("TCF") volumes in deeper plays.

<u>Transitional Power</u>

<u>Renewable Energy for Mining Projects</u>

- Acquisition of AEMP completed in Q2 2021 with the AEMP team now fully integrated within Chariot's Transitional Power business.
- Projects are developed in strategic partnership with Total Eren, a global renewable IPP focused on low-risk mining power projects in Africa.
- The partnership was extended in January 2022 to cover a three year period, with an option to extend for a further two years thereafter. Chariot has the right to invest between 15-49% into the co-developed projects.
- This partnership is building up a pipeline of African mining power projects and looking to collaborate on other non-mining energy projects and transactions across the continent.
- First project in operation, a 15MW solar project, at the Essakane gold mine in Burkina Faso, successfully generating material returns.
- Two more projects signed in the post-period and in development:
    - An MoU signed for a 40MW solar PV project with Tharisa Plc, to provide power to its chrome and PGM operations in South Africa.
    - Partnership in place with First Quantum Minerals to advance the development of a 430 MW solar and wind power project for its copper mining operations in Zambia - one of the largest renewable private sector energy projects in Africa.

<u>Green Hydrogen – Project Nour</u>

- Exclusivity awarded over licences to develop a large scale green hydrogen project utilising renewable power to split water through electrolysis.
- Recent Pre-Feasibility Study confirms that Mauritania is exceptionally well-placed for green hydrogen production due to its unique solar and wind resources and the project has the potential to produce some of the cheapest hydrogen in the world.
- Domestic benefits for Mauritania include providing baseload power to the national grid, diversifying industrial activities (e.g. green steel), promoting job creation and developing local infrastructure with the potential to have a significant impact on GDP.
- Framework Agreement in place which defines the terms and guiding principles to pave the way for the in-depth feasibility study that will be undertaken over the next 24 months.
- Optimising project fundamentals through reducing acreage position to 5,000km² therefore allowing for a more focused scope
- MoU signed with the Port of Rotterdam International, a global energy hub and Europe's largest seaport which represents a first step towards establishing supply chains.
- Partnering process underway with the objective to form a world class consortium.

Other licences

- Whilst fully written down, Chariot has retained its interest in its licences in Brazil with no work commitments going forward and will host datarooms for interested parties as required.
- The Central Blocks in Namibia have expired but Chariot retains a 10% back in right in the Southern Blocks as a low risk future option.

Corporate

- Further to the successful equity fundraising of US$25.5m and $4 million Open Offer announced in June 2022, the Company is well financed to take the Anchois Gas Project through to FEED and FID, in addition to progressing the Company's wider asset portfolio.
- Oversubscribed equity fundraising completed in December 2021.
    - Year end cash position as at 31 December 2021 of $19.4 million with no debt and minimal remaining work commitments.
- Senior leadership team fully aligned with shareholders, with the Board owning 9.57% of the shares in issue following June 2022 fundraising.

Outlook

Chariot is focused on:

- Delivering prompt FID on the Anchois gas development
- Progressing towards production and material cashflows from Anchois as quickly as possible.
- Strategic partnering in Morocco to accelerate growth from a portfolio of high value, low risk upsides
- Further development of the pipeline of Transitional Power projects.
- Evaluation of further value-accretive new ventures in line with the Company's focus on the theme of energy transition.

Adonis Pouroulis, Acting CEO of Chariot commented:

"During what has been a turbulent macro environment since the onset of the COVID-19 pandemic, I am very proud of the progress we have made across the business over the past year, as we continue to establish our transitional energy platform within Africa. Our mission is to create value and deliver positive change by investing in projects that are driving the energy revolution and we are fully committed to executing our plan. Through progressing and accelerating our gas development offshore Morocco we are looking to provide a gas hungry market with domestic supply; through our renewable power projects we are materially reducing the carbon emissions of mining operations in Africa and with our acreage in Mauritania, we are progressing what has the potential to be one of the world's largest green hydrogen projects and a key source of green energy in the future.

As a nimble and entrepreneurial team, we will also continue to leverage our network and utilise our expertise to seek out new ventures where we can play a key role and that fit within our ethos and strategy. We are excited about the potential that sits within our current portfolio, as well as opportunities that the future holds. We look forward to our ongoing progression and evolution as a company and we thank our shareholders for their ongoing support."

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About Chariot

Chariot is an African focused transitional energy group with two business streams, Transitional Gas and Transitional Power.

Chariot Transitional Gas is focussed on a high value, low risk gas development project offshore Morocco with strong ESG credentials in a fast-growing emerging economy with a clear route to early monetisation, delivery of free cashflow and material exploration upside. Chariot Transitional Power, looking to transform the energy market for mining operations in Africa, providing a giant largely untapped market with cleaner, sustainable, and more reliable power.

Chariot is also partnering with the Government of Mauritania on the potential development of a 10GW green hydrogen project, Project Nour. The ordinary shares of Chariot Limited are admitted to trading on the AIM under the symbol 'CHAR'.

CHAIRMAN'S STATEMENT

Chariot's Transition

Chariot's mission is to play a leading role in supporting the energy transition and since 2020, our focus has been to increase our project exposure across this sector. We have made significant strides over the past 12-18 months and so have progressed our own transition - moving from high risk oil exploration to a broad portfolio of transitional energy projects that have the potential to be both transformational for the company and deliver near-term value for all our stakeholders.

We have substantially expanded our remit and selection of energy projects. Within our Transitional Gas business, while maintaining our exploration vision, we are primarily focused on the development of a material offshore gas discovery in Morocco and are currently engaging front end engineering design ("FEED") to achieve final investment decision ("FID") as quickly as possible. Within our Transitional Power business we have recently signed up two new multi megawatt renewable energy projects in South Africa and Zambia in partnership with Total Eren, one of which is the largest private sector renewable development project on the continent to date. The pipeline is targeting over 1 GW of traditional renewable projects by year end and is augmented by the maturation of Project Nour in Mauritania, a green hydrogen development with world class potential.

A diversified but thematic portfolio

While our portfolio is diversified both in scale and resource base, our assets are linked through the themes that underpin our investment philosophy focused on the energy transition. In addition, all of our projects are scalable, demonstrably positive for all stakeholders, and at the same time focus on generating material returns for our investors.

Access to energy

Access to energy is a universal need, a core pillar of the global economy, and something which benefits the pan African population. Our projects are aligned with helping host economies to achieve their growth and decarbonisation targets. This is a central tenet for Chariot, behind our remit to take large-scale and first-mover positions in projects that support the energy transition and can materially contribute to the energy mix. Our assets straddle the spectrum with natural gas, renewable power and green hydrogen interests and all have the potential to provide much needed and valuable sources of energy supply.

Focused on projects that are highly scalable

All our assets are scalable and have significant upside potential. The Anchois development hub has a pre-drill resource of 2 TCF, the recent appraisal drilling has derisked a number of large resource prospects within the wider Lixus licence outlining the potential for multiple TCF volumes. Within the acreage surrounding Lixus in the Rissana licence, we have additional running room with additional giant prospective resources. For our Transitional Power business, the scale of the Sub Saharan mining sector is both vast and untapped with the power requirement estimated by the World Bank to be over 20GW in 2020. Last year our target was to secure a pipeline of power supply projects of 500MW however, we have now doubled our scope and target reaching 1GW by the end of 2022. The hydrogen market is already becoming a key component of the energy transition with Goldman Sachs estimating a €10 trillion market by 2050. While still nascent, we believe hydrogen will be a foundational energy source of the future and are progressing our initial project in Mauritania that has the potential to produce 10GW by 2030.

Sustainable energy – helping to meet carbon emission targets

Morocco has ambitious sustainable development targets, currently aiming for a 45.5% reduction in their greenhouse gas emissions by 2030, as part of their contribution to the Paris Agreement. At the same time, Morocco's growing economy and increasing demand for energy is currently supplied by energy imports and coal. The domestic supply of gas from Chariot's Anchois project can help provide baseload requirements and could therefore be an important contributor to rebalancing Morocco's energy mix and assist in reducing Moroccan emissions going forward.

Mining companies are increasingly focused on reducing their carbon outputs and have also set out key targets in this regard. Implementing long term cleaner energy solutions is now high on operational ESG agendas across the sector. Through partnering with Chariot and Total Eren to build, finance and operate their energy solutions, these companies are provided with a renewable, measurable supply to help enable them to meet their goals.

Green hydrogen also has the potential to supplement and replace traditional fossil fuels in both power generation and manufacturing processes, leading to a significant reduction in associated emissions of greenhouse gases. Hydrogen also has the potential to stimulate the development of greener primary industry (such as green steel and green ammonia production) and can lead to significant, positive long term impacts for Mauritania as well as the entire global energy transition.

Energy security

Energy security has become a key topic within the current geopolitical backdrop. The Anchois gas project is expected to provide a reliable domestic supply which would bolster Morocco's self-sufficiency and drive further development of its energy related infrastructure. Chariot's renewable power projects build bespoke onsite solutions for mining companies, often sited in locations well away from power grids. Accessing wind and solar power for use directly on the mine sites removes the dependence on and need for transportation of carbon heavy fuel to remote destinations. The development of Project Nour's green hydrogen will provide baseload power to Mauritania's national grid as well as opening broader development possibilities. Future demand is also growing as result, as evidenced by the European Commission recently quadrupling its 2030 hydrogen target to 75GW by 2030, half of which will be imported.

Outlook

Chariot's business plan is indicative of our commitment to being a significant and successful part of the energy transition and we are proud of our positioning within this dynamic and critical sector. We remain ambitious with our plans to expand and build on our achievements to date as we continue to evaluate new ventures that fit within our strategy. As ever, we are grateful to our investors, partners, and the local communities we are involved in, for their support during what was a significant period of change and growth for us as a business. We look forward to providing further updates on our exciting pipeline of projects over the remainder of 2022 and beyond.

George Canjar
Chairman
21 June 2022

Chief Executive Officer's Review

The Energy Transition

Transitional energy is fundamental to the global movement towards a carbon neutral world. The adoption of cleaner, sustainable energy is an integral part of achieving net zero goals and this transition needs to facilitate positive change by reducing emissions whilst enabling growth and development. This also goes hand in hand with another important global objective, of providing access to electricity to all.

We are an African focused transitional energy company. To deliver on our business strategy, we need to find solutions that are suitable for purpose within the context of Africa's development needs both now and over the longer term, within the framework of overarching climate goals, and importantly driving the energy transition utilising the continent's natural resources in a fair and inclusive way.

The opportunities within the African energy gap

Currently there are over 600 million people without access to electricity in Africa, and the population is expected to roughly double from around 1.25 billion to approximately 2.5 billion people in the next 25 years. This establishes a sizeable and growing market but highlights the stark inequality of those with and without and, as history has shown, one of the first pillars of alleviating poverty is to provide affordable power. Every effort can be aligned to reducing Africa's carbon footprint but within the continent it is simply impracticable to eradicate emissions entirely at this point in time. It is also clear that a wide range of energy sources are needed to enable development and ensure accessibility for all. Looking to address this energy gap is a real opportunity however, and we are focused on rebalancing the energy mix for two reasons – both to meet the development needs of growing populations, but importantly through doing this, help to accelerate the transition of Africa's economy towards carbon neutrality and ability to access cleaner and greener technologies.

Crucially, further adoption of transitional energy sources should be aligned with an individual country's ambitions to ensure that each country's resources help meet the needs of its people and industries in a long term, sustainable way. Through identifying and developing their resource wealth alongside them we can facilitate affordable, sustainable energy supplies that can enrich the lives of many, deliver wide ranging tangible positive impacts and create value for all stakeholders.

It will take time and significant investment to bridge this energy gap but this is exactly what Chariot is about and we are focused on this through our Transitional Gas and Power businesses.

Transitional Gas:

Our significant Anchois gas discovery offshore Morocco took the headlines of our successful drilling campaign announced in Q1 2022, but to have completed this drilling programme on time, safely and within budget working around the constraints of Covid which impacted travel and supply chains at the time was a notable achievement. Our management team and contractors worked tirelessly on the planning and execution of these activities and I would like to once again extend my thanks to all involved.

The results of the drilling programme exceeded our expectations, encountering all appraisal and exploration targets, confirming the presence of consistent, excellent quality dry gas and enabled Chariot to report a material upgrade of the net gas pay estimates. Due to the nature of the gas, the project lends itself to a simple development, using conventional technology and the campaign also served to substantially de-risk other targets within the Lixus licence. We will be announcing independent third party validation of Anchois resources through a CPR shortly.

In February 2022, we also captured further upside through the signing of the Rissana licence which surrounds Lixus and has giant potential due to the gas plays that extend into this acreage. We are also very pleased to have signed an MoU with a leading international energy group on gas offtake and partnering.

We are now focused on bringing the Anchois gas project online as quickly as possible and we have appointed Societe Generale to take the lead on project financing. We successfully raised US$25.5m via an oversubscribed Placing and $4m via an Open Offer post period and we are fast-tracking the engineering and design of the Anchois development together with Subsea Integration Alliance to reach FID as quickly as possible so we can start to generate the material cashflows that we expect from the project.

Transitional Power

Providing Renewable Power in Africa

It has been a pleasure to work with Total Eren, a leading player in the renewable energy industry since we acquired the AEMP team in 2021. We were pleased to further strengthen our relationship, by extending our partnership terms for a further three years with an option for an additional two thereafter. We are also now able to invest up to 49% in each new project and were delighted to secure new partnerships with Tharisa and First Quantum in the first half of this year to develop substantial hybrid power sites for their operations in South Africa and Zambia. Our focus is to deliver reliable, low cost power solutions that have a wide range of positive ESG impacts for both the companies and the communities in which they operate. Operations from the 15MW solar power plant at the Essakane mine in Burkina Faso, in which we hold a 10% equity stake, continue to generate a number of measurable impacts, including saving 6 million litres of fuel and a reduction of 18,500 in CO_2 emissions per year which exemplifies the proof of concept and underlines the benefits that can be realised from such projects. Tapping into these natural resources and attracting this renewable focused investment is beneficial for the countries as well as playing a positive part of a company's ESG remit. We are currently looking at strategic partnering within the Transitional Power business to provide equity finance directly into these projects and alongside Total Eren we are looking at other renewable energy projects across the continent.

Green Hydrogen – a strategic priority

We are delighted to have secured a strategic position in Mauritania and we now have a foothold in what we believe will be the next frontier for the energy sector. Our acreage is in a prime location for both wind and solar power and we believe we have obtained a critical first mover advantage in Africa. Mauritania is exceptionally well placed for green hydrogen production which requires four key characteristics; wind power, solar radiation, land and water. Mauritania has these in abundance and the scale of this combination is relatively rare across the globe. As a result, Project Nour has the potential to become one of largest and lowest cost producers of green hydrogen in the world. This was recently confirmed by our Pre-Feasibility Study and a Framework Agreement is now in place which provides a roadmap for the next phases of development. As part of the Framework Agreement, we have optimised our positioning for the project and reduced our acreage position to 5,000km² to enable us to focus our efforts, whilst retaining the potential for 10GW output capacity. We are currently in discussions with interested parties with a view to forming a world class consortium to take this project forward. The range of potential benefits for Mauritania and the region as a whole are extensive and we are delighted to be partnering with the Government of Mauritania on this project. We thank the Government of Mauritania for their continued collaboration and cooperation on Project Nour.

Positive impacts

Another element of the energy transition story is mitigating and developing resilience to the impacts and challenges of climate change and investment into the projects that can deliver significant benefits in this regard. Accessing and sharing power can help to protect against shortages of water and power supply and Zambia is a great example with First Quantum's project representing a natural fit with Zambia's hydropower resource seasonality. This is also true of the complementary wind and solar resources in Mauritania, which generate power around the clock, with solar produced during the day and wind mainly at night. Across all our projects there are common attributes of the energy that we look to supply - reliable, affordable sources of power that can help reduce carbon footprints and also enable diversification of wider industrial activities and downstream development.

Whilst our projects will produce valuable power for domestic use, there is also direct access to export markets to generate further revenues. With a direct pipeline into Spain from Morocco and access to markets from Mauritania through the Port of Rotterdam supply chains are already being established, which is a key benefit to the projects locations in the vicinity of Europe, as well as having access to the wider African continent. A feature of transitional power projects is the potential for local communities to benefit from surplus supply from the mine sites and also potentially inherit the assets at the end of life of mine.

Chariot's projects can help our partners and mining companies meet their responsibility objectives. For Governments, these projects could have a significant impact on accelerating growth and GDP and for shareholders – with whom we are aligned having supported recent fundraisings – all these positive impacts have the potential to drive significant value creation.

As our business develops, we are committed to continually improving our approach and actively managing and looking to mitigate our ESG risks and impacts. We adopt the IFC Performance Standards, the Equator Principles and the applicable UN Sustainable Development Goals as guiding principles across our business and we will continue to strive to achieve best practice throughout our operations.

Conclusion

I would like to take this opportunity to thank both ONYHM in Morocco, the Government of Mauritania and all our valued partners, including the Ministries in Namibia and Brazil, for their ongoing support and collaboration, the Chariot Board and our team for their dedication, commitment and enthusiasm and our shareholders for their ongoing support.

Our mission is to create value and deliver positive change through investment in projects that are driving the energy revolution and we are fully committed to executing this. As a nimble and entrepreneurial company, we will continue to leverage our network and utilise our expertise to seek out new ventures where we can play a key role and that fit within our ethos and strategy. We are excited about the potential that sits within our current portfolio, as well as opportunities that the future holds. We look forward to our ongoing progression and evolution.

Adonis Pouroulis
Chief Executive Officer
21 June 2022

Chief Financial Officer's Review

Funding and Liquidity as at 31 December 2021

The Group entered 2022 with cash of US$19.4 million as at 31 December 2021 (31 December 2020: US$3.7 million) and no debt. The proceeds of US$5 million raised from the issue of underwriting shares to Magna Capital LDA in the post-period, as well as the equity fundraising completed in June 2022 of US$29.5 million means the Group is well capitalised to execute the next phase of its strategy to both monetise the high value Anchois gas development project and progress its highly scalable Transitional Power stream and early stage green hydrogen project.

An extensive cost reduction programme in 2020 provided Chariot with a lower cost base and leaner foundation whilst still retaining operational capability. This leaner foundation has been built upon throughout 2021 as the Company has grown its presence in Morocco and acquired a renewables business.

During 2021, the Group invested c.US$12 million into the business through its successful appraisal and exploration drilling campaign in Morocco, acquisition of the AEMP business and administration activities (31 December 2020: c.US$6 million).

As at 31 December 2021, US$5.4 million of the Group's cash balances were held as security against licence work commitments. The increase from US$0.5 million at 31 December 2020 was due to an increase in Moroccan bank guarantees.

Financial Performance – Year Ended 31 December 2021

The Group's loss after tax for the year to 31 December 2021 was US$7.0 million, a decrease of US$63.6 million on the US$70.6 million loss incurred for the year ended 31 December 2020 which was driven by an impairment charge of US$66.7 million recorded against the full book value of Namibian and Brazilian exploration assets. This equates to a loss per share of US$(0.01) compared to a loss per share of US$(0.19) in 2020.

The share-based payments charge of US$0.8 million for the year ended 31 December 2021 was US$0.6 million higher than the US$0.2 million in the previous year due mostly to the granting of employee and Directors' deferred share awards in the current year.

Other administrative expenses of US$5.7 million for the year ended 31 December 2021 are higher than the previous years' US$3.7 million driven mainly by business development projects and acquisition costs as the

Company looked to expand its Transitional Gas and Transitional Power business units, combined with costs of pre-feasibility studies expensed on the green hydrogen project.

Finance expenses of $0.5 million (31 December 2020: income of US$0.5 million) relates to the holding of cash balances in Sterling to meet administrative expenses in the current year, resulting in higher foreign exchange losses, inclusive of US$0.1 million (31 December 2020: US$0.1 million) unwinding of the discount on the lease liability under IFRS 16.

Exploration and Evaluation Assets as at 31 December 2021

Having impaired the non-core exploration activities in Namibia and Brazil in 2020, the increase in carrying value of the Group's exploration and evaluation assets in 2021 relates entirely to the Morocco geographic area reflecting US$18.9 million invested in the successful appraisal and exploration drilling of Anchois and other licence costs which were capitalised.

Business acquisition – AEMP

In June 2021 the Company completed the acquisition of the business of Africa Energy Management Platform ("AEMP") which has been accounted for as an acquisition of a business under IFRS 3. Accordingly, at acquisition the total identifiable assets and liabilities assumed were US$0.5 million, the majority of which was attributable to the 10% project equity held in the operational Essakane power project. The balance of the consideration of US$0.4 million at the time of acquisition was allocated to goodwill. No impairment of the investment in power projects or goodwill was identified in the period from acquisition to 31 December 2021.

The total consideration payable was US$0.9 million, of which US$0.1million was paid in cash, US$0.7million in new ordinary shares issued and US$0.1 million as deferred consideration payable in equity (shares to be issued reserve). Further contingent payments relating to the acquisition will be recognised as share based payments and a charge of US$0.1 million has been included in the period to 31 December 2021.

Post the year end two Memorandum of Understandings ("MoUs") were announced indicating the value that is already being generated from the acquisition, with a 40MW solar project to sell solar power to the Tharisa mine in South Africa and a 430MW project to sell low carbon energy to First Quantum Minerals' mining operations in Zambia. Both projects are large scale, early stage and are in partnership with Total Eren, with no commitments in the near term.

Other Assets and Liabilities as at 31 December 2021

In 2021, wellheads and casing valued at a total of US$1.2 million were held in inventory relating to the Anchois drilling campaign in Morocco, as compared with Nil at the end of 2020, when inventory disposed of for scrap value had resulted in a charge of US$0.5 million to the income statement.

As at 31 December 2021, the Group's net balance of current trade and other receivables and current trade and other payables shows a net current liability position of US$14.2 million (31 December 2020: US$0.2 million) with the increase due primarily to outstanding payables for the Moroccan drilling campaign.

Under IFRS 16 the Group has recognised a depreciating right-of use asset of US$0.3 million (31 December 2020: US$0.7 million) and a corresponding lease liability based on discounted cashflows of US$0.4 million (31 December 2020: US$0.8 million), with the reductions resulting from depreciation and rental commitments paid that are partially offset by unwinding of the discount on the lease liability.

Outlook

The recent announcement of Societe Generale being appointed to lead debt financing of the Anchois gas project in Morocco demonstrates the project's bankable economic fundamentals. We are pleased to be part of the solution to Morocco's domestic energy needs and a part of the wider European supply.

The fundraise completed in June 2022 of US$29.5 million means Chariot is funded to accelerate the FEED programme to FID,and fast-track to cashflows from production into the gas hungry Moroccan and European markets. There is much hard work ahead as we enter into the next phases of the project including negotiations on gas sales and project finance but we move forward encouraged and emboldened by a highly successful drilling result which has potentially opened up a new gas basin and a much larger resource base than pre-drill estimates had planned for. We are equally enthused by the progress being made in the Transitional Power business as two world class projects have already been announced in early 2022 which demonstrate the bank of projects in the pipeline being accelerated in partnership with Total Eren. We will also look to strategically partner at the subsidiary level within the Transitional Power business.

Julian Maurice-Williams
Chief Financial Officer
21 June 2022

Technical Director's Review of Operations

Transitional Gas

Overview:

Chariot has operated upstream projects in Morocco since 2013, with the current portfolio now comprising the Lixus Offshore and Rissana Offshore licences.

Lixus Offshore was awarded in 2019, secured after our team re-assessed the commercial potential of the on-block Anchois gas discovery (made in 2009) and identified a low-risk follow-on portfolio in the same play system. Following the reprocessing and reinterpretation of 3D seismic data, Anchois was estimated to contain 361 Bcf of 2C Contingent Resources, by independent assessment from NSAI in 2020. With 75% working interest (operator), Chariot works alongside partners Office National des Hydrocarbures et des Mines ("ONHYM"), who hold a 25% carried interest in the 1,794km² area licence block.

The Anchois-2 appraisal and exploration drilling campaign was successfully completed in January 2022 with operations being conducted by the Chariot team, safely, on time and on budget. The well encountered the previously discovered A & B gas sands, confirming the extension of the gas bearing intervals, and identified new gas-bearing reservoirs in the lower B sands and also in the C, M and O sands exploration objectives.

In 2022, Chariot was awarded the Rissana Offshore licence (as operator with 75% interest, ONHYM 25%), an extensive licence area of ~8,500km², fully encompassing the maritime borders of Lixus, thereby capturing the upside potential of the proven gas bearing tertiary fairways at Anchois, as well as providing exciting new play opportunities.

Anchois Drilling Results:

An appraisal campaign was initiated on the Anchois gas field in December 2021, led by Chariot's Group Drilling Manager David Brecknock and a highly experienced team including many personnel from our previous drilling campaign in Namibia in 2018. This campaign comprised a new appraisal and exploration well, Anchois-2, with additional plans to assess the potential of the original Anchois-1 discovery well to be a producer in any subsequent development of the field.

The Anchois-2 well was drilled to a Total Depth (TD) of 2,512m by the Stena Don semi-submersible drilling rig in 381m of water. Following a comprehensive pre-campaign design and planning phase, the drilling operations were completed in 31 days, which is approximately half the time of the original discovery well. Of particular importance was the drilling efficiency, which allowed all the reservoir objectives to be drilled in a single hole section, with TD reached in 17 days from the rig arriving on location, permitting a single comprehensive wireline evaluation programme across all reservoir zones. The operations were conducted on time and on budget, during heavy travel restrictions due to the Covid pandemic, including the emergence of the Omicron variant, demonstrating the nimbleness and exemplary contingency planning from the team.

In the appraisal objectives, the well successfully encountered the A and B gas sands, discovered in the original Anchois-1 well. This demonstrated the extension of these accumulations and permitted recovery of important subsurface data missing from the original well, such as reservoir pressures and gas samples from the A sand interval, considering the well was not optimised for an evaluation of that interval. Within the primary objective, the

B gas sands, a new "lower B sand" reservoir was encountered, with a deeper gas-water contact (GWC) than seen in the original well. Porosity and permeability confirmed good reservoir quality, consistent with Anchois-1, with over 55 m of net gas pay identified in the Anchois-2 B sands from subsurface data, comparing favourably to the original well which had 33 m of net gas pay in the B sands.

In the exploration objectives, the well successfully identified new discoveries in the C, M and O gas sands. Of these, the C and M sands were the primary pre-drill targets at this location and related to thin gas pays and water-bearing sands in the Anchois-1 well, respectively. Chariot's interpretation of the reprocessed seismic data identified locations within the Anchois structure where the seismic attributes suggested that reservoir quality improved in the C sands and that the M sands could be gas-bearing in an up-dip location. These reservoirs were found to be entirely gas-bearing and thicker than pre-drill expectations. Drilling continued into the O sands, largely as a stratigraphic test to confirm the presence of reservoir since this location was not optimised to test a specific closure. However, gas-bearing reservoir zones were encountered, above a thick section of good porosity, water-bearing reservoir, which continued to TD.

Data acquired from subsurface electrical logging underpins our understanding of the reservoir and fluid properties. A comprehensive evaluation of the well was undertaken through wireline logging, subsurface formation testing, including reservoir pressures and gas sampling, sidewall cores, and well bore seismic profiles. The data acquired from the well were analysed through a post-drilling evaluation programme, resulting in a total calculated net gas pay of approximately 150m, compared to 55m in the original Anchois-1 discovery well. Additionally, the gas sampled within the seven gas-bearing zones were found to be of high quality, with a consistent composition throughout the well, with >96% methane (dry gas) and without problematic impurities such as hydrogen sulphide or carbon dioxide.

Anchois-2 was suspended for potential future re-entry and completion as a production well in the development of the field. Subsequent to the Anchois-2 operations, the Anchois-1 gas discovery well integrity was assessed also left suspended for future potential re-entry as a producer.

Development Plan:

As part of the initial exploration period work commitments on Lixus, and in anticipation of the appraisal drilling campaign, Chariot performed pre-FEED studies on a development of the Anchois field with Xodus in 2020. This work validated the subsea-to-shore development concept for the Anchois gas field and was used to estimate development costs and schedule to support the economic viability of the project. In early 2021, Chariot entered into a Collaboration Agreement with the Subsea Integration Alliance (SIA), a non-incorporated alliance of leading gas development contractors, with the aim of the SIA and Schlumberger supplying front-end engineering and design (FEED); engineering, procurement and construction (EPC); and operations and maintenance (O&M) for the Anchois development project. These activities laid the foundations for the opportunity of a fast-track development programme, prior to success at Anchois-2.

Following the drilling campaign, Chariot is now focussed on progressing with a development plan for the Anchois gas resources, including both the original gas sands and potentially also the newly-discovered reservoirs, considering that the consistent high quality gas composition would allow all reservoirs to be developed through the same infrastructure. This plan considers an initial development with two or more subsea producers tied to an onshore Central Processing Facility ('CPF') with a capacity to process 70 mmscfd. An onshore pipeline would connect the CPF to the existing Maghreb-Europe gas pipeline, giving access to both Moroccan domestic markets and export routes into Spain.

Activity for the remainder of 2022 will include FEED engineering on all aspects of the development, including drilling and completion, subsea production systems, offshore flowline and umbilical, onshore gas processing plant and the onshore export pipeline. One of the benefits of working with the SIA is the ability to utilise standardised equipment and to shorten cost and timing uncertainty associated to engineering and procurement activities.

Gas Commercialisation:

In Morocco, alongside a growing renewable power programme, imported fossil fuels dominate and the country relies on imports for over 90% of its primary energy needs. The Maghreb-Europe Pipeline ("GME") was a key import route for Morocco from Algeria for power generation, with domestic power stations at Ain Beni Mathar and Tahaddart consuming up to 100 mmscfd since 2012, representing approximately 10% of Morocco's national power generation capacity. However, at the end of October 2021, the long-standing gas sales agreement between Morocco and Algeria ended, meaning the loss of gas supply to those power plants.

With the potential to provide a material local gas production, Chariot's projects fit in with the Kingdom of Morocco's national strategy of industrial development, economic decarbonisation and diversification of the energy mix, allowing the reduction of dependency on imported fuels for both power generation and industrial consumption.

Chariot licences are located within an important industrial region along Morocco's Atlantic coast. The stretch from Kenitra to Casablanca, adjacent to Anchois, represents approximately two-thirds of Morocco's GDP and population; it is anticipated that industrial gas demand will grow significantly. The initial Anchois field gas volumes were regarded sufficient to meet expected domestic demands, however, with the confirmed discovery increasing volumes, Chariot has identified the opportunity to supply surplus gas into the European market, via the GME connection with Spain. This represents a very large and increasingly attractive market which could both take surplus gas over and above domestic demand from the initial Anchois development and also provide a rapid commercialisation route for any additional discoveries to be tied-back to the Anchois infrastructure.

The industrial demand for gas is fast growing with prices already established in the region of US$10-11/mcf. Lixus boasts excellent contract terms in what is widely known internationally to be a favourable fiscal environment. There is at present a 10-year corporate tax holiday from the commencement of production and a low 3.5% royalty on gas produced offshore at the water depth of the Anchois discovery, with ONHYM paying its 25% share of the development. The 10-year tax holiday is an important incentive to encourage the initiation of a domestic offshore gas supply.

The importance of Lixus to the Chariot Group as a strategic asset has increased considerably since the discovery at Anchois-2, but moreover to the Kingdom of Morocco, given the strong ESG credentials and ability to alleviate the growing energy demand, which is anticipated to double by 2040.

Gas Market:

Domestic markets in Morocco offer attractive gas prices to both the industrial and power markets; the current pre-drill economic model is supported by audited 2C 361Bcf estimate base case resource, with 70mmscf per day potential at US$8-15 per mcf to power and industry.

In October 2021, Chariot signed a gas sales agreement with a leading international energy group for gas offtake. The MoU will underpin the development as part of a long-term partnership, which offers an important opportunity to sell surplus gas above domestic requirements into the European market, utilising the connection of the Maghreb-Europe (GME), which provides direct access to Europe via Spain.

With gas prices in Spain typically ranging from 20 to 60 US$/mmbtu during Q4 2021 to Q1 2022 , and with the widely-held expectation that European gas prices will remain high for the medium term, selling surplus gas into the European market provides an extraordinary opportunity for Chariot to play a role in the diversification of Europe's gas supplies and for this market to provide a catalyst to deliver accelerated growth from the upsides in the exploration portfolio.

The Anchois Development project is targeting first gas from as early as 2024.

Exploration Portfolio:

In Morocco, Chariot has built an extensive library of seismic data, including >4,000 km² of 3D and nearly 20,000 km of 2D regional seismic data. Access to this vast dataset has been crucial in understanding the on-block play types and maturing a material prospect portfolio. With the intention to acquire more data over areas that have already revealed significant prospectivity and play extensions, the team are currently focussed on maturing exploration opportunities over the Lixus and Rissana blocks.

Lixus:

Following the positive drilling results of 2022, additional exploration prospects within the Lixus licence area with similar seismic attributes to the Anchois discovery are now considered to be low risk. Accordingly, extensive work is ongoing to extrapolate the lessons learnt from drilling results and the application of seismic attribute analysis to de-risk and rank the follow-on portfolio. This work includes conventional seismic interpretation, revision of the depth model of the 3D dataset reprocessed in 2020, and advanced analysis such as AVO, seismic inversion and spectral decomposition.

The focus areas de-risked by the Anchois-2 well are the so-called “hubs”, groups of prospects that can be tied-back through a potential development initially unlocked by one anchor prospect, which itself would provide the flowlines to the onshore CPF:

- The Anchois Hub consists of the “Anchois Satellites”, which are extensions of the discovered sand intervals into adjacent fault blocks and are typically within 5-10km of the existing Anchois wells. The satellite prospects encompass stacked targets within the Miocene reservoirs (A, B, C, M and O sands). These targets and have been discretely mapped and can be calibrated to the gas bearing intervals at Anchois, with upside contributions from younger, shallower Pliocene sands which also exhibited strong attribute support for gas-bearing reservoir.
- The Maquereau Hub is located on the NE boundary of the larger Mio-Pliocene basin in the central part of the block, approximately 20 km north-east of Anchois. Prospects are formed of clastic turbidite systems that were deposited in the same environment and basin as the Anchois sands, however redirected to the north, due to growing accommodation space from listric faulting. The primary target within this hub is Maquereau Central.
- The Shallow Hub hosts key shallow water prospects Anguille and Tombe; these clastic channel prospects are in a basin east of Anchois, within 10km of the coast, in water depths of <100m. The reservoir targets can be correlated across the basin to good quality sands intersected in the 2011 Deep Thon-1 well. The primary target within this hub is Anguille.

Rissana:

The Rissana Offshore licence was awarded to Chariot with 75% interest and operatorship in February 2022; the block has a total area of 8,489km². Surrounding the Lixus Offshore licence, Rissana holds significant volumes of on block 3D data, including recaptured areas of the recently reprocessed 2020 and 2017 3D cubes from the Lixus licence and Chariot’s historical licence areas respectively.

Rissana hosts a substantial portfolio of exploration prospects in a variety of different plays, including an extension of the Anchois gas play that was confirmed by the Anchois-2 gas discovery in 2022. Other plays include Miocene – Pliocene clastic sand systems further north, where prospects have reservoirs of similar age to prospects on the Lixus block across a wide range of trapping styles, with characteristic supporting seismic attributes.

One of the key prospects on Rissana is Emissole, located in the north-eastern corner of the 3D dataset. This tilted fault block structure holds 5 stacked reservoir intervals set in an unconformity sub-crop setting. Emissole has several visible flat spots and AvO anomalies, supporting significant volumes in shallow water depths of approximately 150m and with several follow-up opportunities.

Legacy 3D prospects from the previous Mohammedia licence have also been reintegrated into the Chariot portfolio. The shallow marine, clastic deltaic prospects add giant-scale volumetric potential to the exploration portfolio.

Other Blocks:

Brazil:

The Barreirinhas basin licence blocks are currently in a period of suspension and future extensions are possible due in part to the impacts of the COVID-19 pandemic.

Namibia:

Chariot has made the decision not to renew operatorship of the 2312 A & B “Central Blocks” that comprise the PEL 71 licence. Chariot retains the option to back-in to the 2714 A & B “Southern Blocks” licence.

Duncan Wallace
Technical Director
21 June 2022

<u>Transitional Power</u>

Strategic partnership with Total Eren

Further to the acquisition of AEMP last year, Chariot's Transitional Power team has continued to go from strength to strength, building up the team, and developing its plans and objectives as well as further strengthening its strategic partnership with Total Eren, a leading France based renewable energy Independent Power Producer to work together on the joint origination and development of wind and solar projects for mining clients in Africa. This partnership is in place for the next three years, with the option to extend for a further two thereafter and Chariot has the right to invest between 15-49% into the co-developed projects.

To date, the partners have built an active pipeline of 485 MW of African mining power projects and are targeting 1GW by the end of the year. Chariot and Total Eren also have ambitions to collaborate on other projects and transactions in Africa.

ESSAKANE PROJECT: BURKINA FASO

Chariot's first renewable project supplies 15MW of solar power as part of a hybrid solar-thermal power solution to IAMGOLD's Essakane gold mine in Burkina Faso. On commissioning, the project was the largest hybrid Photo Voltaic-Heavy Fuel Oil power plant in the world and one of the largest solar facilities in sub-Saharan Africa with 130,000 solar panels.

Chariot holds 10% equity in this award-winning project, with Total Eren holding the remaining 90%. Chariot has been involved in the project since the origination of the mine, including: designing the size and determining the operating philosophy of the hybrid power plant; obtaining local authorisations and permits; selection of the engineering, procurement and construction contractor; financing; and, operating post-completion. The project's successful completion and generation of returns provide proof of concept and a valuable showcase from which replication and scale-up is anticipated.

100% of permanent Essakane project staff are nationals, demonstrating the benefit to local communities, while 1% of project revenues are dedicated to community investment, such as tree planting campaigns and the distribution of solar kits to schools. Carbon credits are also registered with the UN to raise funds for community developments.

THARISA: SOUTH AFRICA

In February 2022, Chariot and Total Eren jointly announced the signing of a Memorandum of Understanding ("MoU") with Tharisa plc, the platinum group metals and chrome producer, to develop, finance, construct, own, operate and maintain a solar photovoltaic (PV) project for the supply of electricity to the Tharisa mine, in the North West Province, South Africa. The solar PV project is initially anticipated to be 40 MW with demand expected to increase over the life of the Tharisa Mine. This MoU is the first step towards the implementation of the Project and signing of a long-term Power Purchase Agreement (PPA) for the supply of electricity on a take-or-pay basis and project development is already well underway.

Adonis Pouroulis, Acting CEO of Chariot, beneficially owns a substantial proportion of the total voting rights in Tharisa.

FIRST QUANTUM: ZAMBIA

As also announced post period in March 2022, Chariot and Total Eren have established a partnership with First Quantum Minerals ("FQM"), a global mining and metals company, to advance the development of a 430 MW solar and wind power project for its mining operations in Zambia.

This flagship project has the potential to complement and expand Zambia's existing renewable energy capacity and would provide FQM with competitive and sustainable power for its Zambian mining operations, delivering on FQM's commitment to decarbonisation as it seeks to reduce its carbon footprint and improve energy security through diversification of supply.

Green Hydrogen Project

Project Nour

Chariot's Green Hydrogen project, "Project Nour", spans two onshore areas totalling approx. 5,000 km^2, across northern Mauritania; a location that takes advantage of the wide scale wind and solar potential, important for large-scale renewable energy generation and low-cost hydrogen production. Project Nour also benefits from geographical proximity to Nouadhibou (Mauritania's deep-sea port) and to large European markets, with the potential to make Mauritania one of the world's main producers and exporters of green hydrogen.

Chariot is working in partnership with the Government of Mauritania to support their ambition to become a leading producer and exporter of green hydrogen, the latter strengthened through the MoU signed with the Port of Rotterdam in April 2022, which was a first step in establishing supply chains to enable the sale of green hydrogen and its derivative products (notably ammonia) into Europe.

Project Nour has the ability to create a range of positive impacts through socio-economic development in Mauritania through increased investment, job creation, skill development and increased government revenues, and its world class potential was verified by the Pre-Feasibility Study ("PFS"), as announced in May 2022. A Framework Agreement is now in place which defines the terms and guiding principles to pave the way for the in-depth feasibility study that will be undertaken over the next 24 months and a partnering process is underway with the objective of forming a world class consortium to further develop the project.

Green Hydrogen Market

Green hydrogen is predicted to play a vital role in the global energy transition; the results of the PFS show the potential scale of Project Nour, with up to 10 GW of installed electrolysis to produce green hydrogen and green ammonia, Project Nour could become one of the largest global projects of its kind by 2030.

The International Renewable Energy Agency projects that the combined value of hydrogen and its derivatives will be larger than the fossil fuel market by 2050.

Pre-Feasibility Study:

The PFS for Project Nour, completed in 2022, confirmed the project's ability to produce some of the cheapest green hydrogen in the world:

- Unique and complementary wind and solar conditions, underpinning attractive project economics
- Possibility of production of competitive green ammonia for export
- Partnering process underway with the objective to form a world-class consortium

Chariot recently signed a Framework Agreement with the Government of Mauritania, paving the way for the in-depth feasibility study that will seek to confirm the potential for installing up to 10GW of electrolyzer capacity.

Chariot Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2021

	Notes	Year ended 31 December 2021 US$000	Year ended 31 December 2020 US$000
Share based payments	21	(760)	(222)
Loss on disposal of inventory	14	-	(524)
Impairment of exploration asset	10	-	(66,666)
Other administrative expenses		(5,688)	(3,678)
Total operating expenses		(6,448)	(71,090)
Loss from operations	4	**(6,448)**	**(71,090)**
Finance income	6	-	543
Finance expense	6	(512)	(72)
Loss for the year before taxation		**(6,960)**	**(70,619)**
Tax expense	8	-	(1)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(6,960)**	**(70,620)**
Loss per Ordinary share attributable to the equity holders of the parent – basic and diluted	9	**US$(0.01)**	**US$(0.19)**

All amounts relate to continuing activities.

The notes form part of these financial statements.

Chariot Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021

For the year ended 31 December 2020	Share capital US$000	Share premium US$000	Contributed equity US$000	Share based payment reserve US$000	Foreign exchange reserve US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000
As at 1 January 2020	**6,268**	**356,503**	**796**	**5,408**	**(1,241)**	**(281,174)**	**86,560**
Loss and total comprehensive loss for the year	-	-	-	-	-	(70,620)	(70,620)

Share based payments	-	-	-	222	-	-	222
Transfer of reserves due to issue of share awards	281	3,106	-	(3,387)	-	-	-
Transfer of reserves due to lapsed share options	-	-	-	(796)	-	796	-
Transfer of reserves	-	-	-		1,241	(1,241)	-
As at 31 December 2020	**6,549**	**359,609**	**796**	**1,447**	**-**	**(352,239)**	**16,162**

For the year ended 31 December 2021	**Share capital** **US$000**	**Share premium** **US$000**	**Contributed equity** **US$000**	**Share based payment reserve** **US$000**	**Shares to be issued reserve** **US$000**	**Retained deficit** **US$000**	**Total attributable to equity holders of the parent** **US$000**
As at 1 January 2021	**6,549**	**359,609**	**796**	**1,447**	**-**	**(352,239)**	**16,162**
Loss and total comprehensive loss for the year	-	-	-	-	-	(6,960)	(6,960)
Issue of capital	5,147	25,585	-	-	-	-	30,732
Issue costs	-	(1,876)	-	-	-	-	(1,876)
Share based payments	-	-	-	760	-	-	760
Share based deferred consideration	-	-	-		142	-	142
As at 31 December 2021	**11,696**	**383,318**	**796**	**2,207**	**142**	**(359,199)**	**38,960**

The following describes the nature and purpose of each reserve within owners' equity.

Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Contributed equity	Amount representing equity contributed by the shareholders.
Share based payments reserve	Amount representing the cumulative charge recognised under IFRS2 in respect of share option, LTIP and RSU schemes.
Foreign exchange reserve	Foreign exchange differences arising on translating into the reporting currency.
Retained deficit	Cumulative net gains and losses recognised in the financial statements.
Shares to be issued reserve	Deferred consideration on acquisition recognized in equity

The notes form part of these financial statements.

Chariot Limited

Consolidated Statement of Financial Position as at 31 December 2021

	Notes	31 December 2021 US$000	31 December 2020 US$000
Non-current assets			
Exploration and evaluation assets	10	31,750	12,822
Investment in power projects	11	450	-
Goodwill	11	380	-
Property, plant and equipment	12	84	43
Right of use asset	16	328	655
Total non-current assets		**32,992**	**13,520**
Current assets			
Trade and other receivables	13	1,167	811
Inventory	14	1,183	-
Cash and cash equivalents	15	19,406	3,740
Total current assets		**21,756**	**4,551**
Total assets		**54,748**	**18,071**
Current liabilities			
Trade and other payables	17	15,358	1,060
Lease liability: office lease	16	430	409
Total current liabilities		**15,788**	**1,469**
Non-current liabilities			
Lease liability: office lease	16	-	440
Total non-current liabilities		**-**	**440**
Total liabilities		**15,788**	**1,909**
Net assets		**38,960**	**16,162**
Capital and reserves attributable to equity holders of the parent			
Share capital	18	11,696	6,549
Share premium		383,318	359,609
Contributed equity		796	796
Share based payment reserve		2,207	1,447
Shares to be issued reserve	11	142	-
Retained deficit		(359,199)	(352,239)
Total equity		**38,960**	**16,162**

The notes form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2022.

George Canjar
Chairman

Chariot Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2021

	Year ended 31 December 2021 US$000	Year ended 31 December 2020 US$000
Operating activities		
Loss for the year before taxation	(6,960)	(70,619)
Adjustments for:		
Loss on disposal of inventory	-	524
Impairment of exploration asset	-	66,666
Finance income	-	(543)
Finance expense	512	72
Depreciation	358	387
Share based payments	760	222
Net cash outflow from operating activities before changes in working capital	**(5,330)**	**(3,291)**
Increase in trade and other receivables	(116)	(34)
Increase / (decrease) in trade and other payables	445	(728)
Increase in inventories	(1,183)	-
Cash outflow from operating activities	**(6,184)**	**(4,053)**
Tax payment	-	(1)
Net cash outflow from operating activities	**(6,184)**	**(4,054)**
Investing activities		
Finance income	-	29
Payments in respect of property, plant and equipment	(72)	(8)
Payments in respect of exploration assets	(5,301)	(1,971)
Net cash consideration on acquisition	(21)	-
Net cash outflow used in investing activities	**(5,394)**	**(1,950)**
Financing activities		
Issue of ordinary share capital net of fees	28,175	-
Payments of lease liabilities	(419)	(337)
Finance expense on lease	(46)	(72)
Net cash from financing activities	**27,710**	**(409)**
Net increase / (decrease) in cash and cash equivalents in the year	**16,133**	**(6,413)**
Cash and cash equivalents at start of the year	**3,740**	**9,635**
Effect of foreign exchange rate changes on cash and cash equivalents	(466)	518
Cash and cash equivalents at end of the year	**19,406**	**3,740**

The notes form part of these financial statements.

Chariot Limited

Notes forming part of the financial statements for the year ended 31 December 2021

1 General information

Chariot Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP. The nature of the Company's operations and its principal activities are set out in the Report of the Directors and in the Technical Director's Review of Operations.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK Adopted International Accounting Standards.

In accordance with the provisions of section 244 of the Companies (Guernsey) Law, 2008, the Group has chosen to only report the Group's consolidated position, hence separate Company only financial statements are not presented.

The financial statements are prepared under the historical cost accounting convention on a going concern basis.

Going concern

As at 31 December 2021 the Group had cash of US$19.4 million, no debt and minimal licence commitments.

In June 2022 an equity fundraise completed which raised US$29.5 million.

The Directors have reviewed the cashflow projection for the Group to consider if it has sufficient finance in place to meet its financial commitments for at least 12 months.

The Group has recently completed a successful appraisal drilling campaign at Anchois and is now funded to advance the engineering and design of the Anchois Gas Development, including FEED project, project financing, gas sales and updated reserves report, to reach FID. The Company continues to focus on partnering in both the Transitional Gas and Transitional Power business streams, and the Board has the reasonable expectation of generating future value and cash from this strategy. Based on these forecasts the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

New Accounting Standards

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 January 2021. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

Standard	**Effective year commencing on or after**
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2022 or later years to which the Group has decided not to adopt early when early adoption is available.

The implementation of these standards and amendments is expected to have no material effect on the Group's accounting policies. These are:

Standard	Effective year commencing on or after
Annual Improvements 2018-2020 Cycle	1 January 2022*
IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)	1 January 2022*
IFRS 3 Business Combinations (Amendment – Reference to the Conceptual Framework)	1 January 2022*
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022*

*Endorsed for use in the EU but not in the UK.

IFRS 16 - Leases

Under IFRS 16 lease liabilities are initially measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate at the date of recognition. Associated right-of-use assets are measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has elected not to recognise right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low-value assets. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Further details on the lease liability can be found in note 16.

Exploration and evaluation assets

The Group accounts for exploration and evaluation costs in accordance with the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources.

Any costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Income Statement. All expenditures relating to the acquisition, exploration and appraisal of oil and gas interests, including an appropriate share of directly attributable overheads, are recognised as exploration and evaluation assets and initially capitalised by reference to appropriate geographic areas. Costs recognised as exploration and evaluation assets are transferred to property, plant and equipment and classified as oil and gas assets when technical feasibility and commercial viability of extracting hydrocarbons is demonstrable.

Costs recognised as exploration and evaluation assets are tested for impairment whenever facts and circumstances suggest that they may be impaired. Where exploration wells have been drilled, consideration of the drilling results is made for the purposes of impairment of the specific well costs. If the results sufficiently enhance the understanding of the reservoir and its characteristics it may be carried forward when there is an intention to continue exploration and drill further wells on that target.

Where farm-in transactions occur which include elements of cash consideration for, amongst other things, the reimbursement of past costs, this cash consideration is credited to the relevant accounts within the geographic area where the farm-in assets were located. Any amounts of farm-in cash consideration in excess of the value of the historic costs in the geographic area are treated as a credit to the Consolidated Statement of Comprehensive Income.

Investment in power projects

The Group, through its subsidiary AEMP Essakane Solar SAS, holds a 10% investment in the Essakane solar project, Burkina Faso. This investment is recognised at fair value with any movement in fair value subsequently recognised in the Consolidated Statement of Comprehensive Income.

Further details on the investment in power projects can be found in note 11.

Inventories

The Group's share of any material and equipment inventories is accounted for at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

Transactions in foreign currencies are translated into US Dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the closing rates at the reporting date and the exchange differences are included in the Consolidated Statement of Comprehensive Income. The functional and presentational currency of the parent and all Group companies is the US Dollar.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation and impairment. Depreciation is provided on a straight line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

Property, plant and equipment are depreciated using the straight line method over their estimated useful lives over a range of 3 – 5 years.

The carrying value of property, plant and equipment is assessed annually and any impairment charge is charged to the Consolidated Statement of Comprehensive Income.

Goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Share based payments

Where equity settled share awards are awarded to employees or Directors, the fair value of the awards at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that eventually vest. Market vesting conditions are factored into the fair value of the awards granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of awards are modified before they vest, the increase in the fair value of the awards, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where shares already in existence have been given to employees by shareholders, the fair value of the shares transferred is charged to the Consolidated Statement of Comprehensive Income and recognised in reserves as Contributed Equity.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if it has power over the investee and it is exposed to variable returns from the investee and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between the Group companies are therefore eliminated in full.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently at amortised cost.

Financial instruments

The Group's financial assets consist of a bank current account or short-term deposits at variable interest rates and other receivables. Any interest earned is accrued and classified as finance income.

The Group's financial liabilities consist of trade and other payables. The trade and other payables are stated initially at fair value and subsequently at amortised cost.

Joint operations

Joint operations are those in which the Group has certain contractual agreements with other participants to engage in joint activities that do not create an entity carrying on a trade or business on its own. The Group includes its share of assets, liabilities and cash flows in joint arrangements, measured in accordance with the terms of each arrangement, which is usually pro rata to the Group's interest in the joint operations. The Group conducts its exploration, development and production activities jointly with other companies in this way.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. If these estimates and assumptions are significantly over or under stated, this could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The areas where this could impact the Group are:

a) Areas of judgement

i. Recoverability of exploration and evaluation assets

Expenditure is capitalised as an intangible asset by reference to appropriate geographic area and is assessed for impairment when management assesses that circumstances suggest that the carrying amount may exceed its recoverable value.

ii. Treatment of farm-in transactions

All farm-in transactions are reflected in these financial statements in line with the accounting policy on Exploration and Evaluations assets. Farm-in transactions are recognised in the financial statements if they are legally complete during the year under review or, if all key commercial terms are agreed and legal completion is only subject to administrative approvals which are obtained within the post balance sheet period or are expected to be obtained within a reasonable timeframe thereafter.

iii. Business combinations

The assessment of the purchase price allocation in the acquisition of AEMP included a number of judgements and estimates exercised by management including assessment of fair value of the investment in the Essakane power project and goodwill.

3 Segmental analysis

With the acquisition of AEMP and updated strategy, the Group has three reportable segments being transitional gas, transitional power and corporate costs (2020: two being exploration and appraisal and corporate costs). The operating results of each of these segments are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources and assess their performance.

31 December 2021

	Transitional Gas	**Transitional Power**	**Corporate**	**Total**
	US$000	**US$000**	**US$000**	**US$000**
Share based payments	-	(85)	(675)	(760)
Administrative expenses	(553)	(212)	(4,923)	(5,688)
Finance expense	(31)	(9)	(472)	(512)
Loss after taxation	(584)	(306)	(6,070)	(6,960)
Additions to non-current assets	18,928	-	72	19,000
Total assets	34,687	973	19,088	54,748
Total liabilities	(14,384)	(158)	(1,246)	(15,788)
Net assets	18,792	680	19,488	38,960

31 December 2020

	Exploration and Appraisal	**Corporate**	**Total**
	US$000	**US$000**	**US$000**
Share based payments	-	(222)	(222)
Loss on disposal of inventory	(524)	-	(524)
Impairment of exploration asset	(66,666)	-	(66,666)
Administrative expenses	(182)	(3,496)	(3,678)
Finance income	-	543	543
Finance expense	-	(72)	(72)
Tax expense	-	(1)	(1)
Loss after taxation	(67,372)	(3,248)	(70,620)
Additions to non-current assets	1,224	8	1,232
Total assets	12,822	5,249	18,071
Total liabilities	(366)	(1,543)	(1,909)
Net assets	12,456	3,706	16,162

4 Loss from operations

	31 December 2021	31 December 2020
	US$000	**US$000**
Loss from operations is stated after charging:		
Loss on disposal of inventory	-	524
Impairment of exploration asset	-	66,666
Depreciation of property, plant and equipment	31	59
Depreciation of Right of Use asset	327	328
Share based payments – Long Term Incentive Scheme	533	200
Share based payments – Restricted Share Unit Scheme	142	22
Share based payments – deferred consideration	85	-
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	84	60
Audit of the Company's subsidiaries pursuant to legislation	17	15
Total payable	**101**	**75**

5 Employment costs

Employees	**31 December 2021**	**31 December 2020**
	US$000	**US$000**
Wages and salaries	1,095	1,444
Payments in lieu of notice / compromise payments	-	487
Pension costs	62	94
Share based payments	170	156
Sub-total	**1,327**	**2,181**
Capitalised to exploration costs	(656)	(773)
Total	**671**	**1,408**

Key management personnel	**31 December 2021**	**31 December 2020**
	US$000	**US$000**
Wages, salaries and fees	1,574	916
Payment in lieu of notice	-	468
Social security costs	199	179
Pension costs	46	18
Benefits	6	-
Share based payments	505	66
Sub-total	**2,330**	**1,647**
Capitalised to exploration costs	(365)	(119)
Total	**1,965**	**1,528**

The Directors are the key management personnel of the Group. Details of the Directors' emoluments and interest in shares are shown in the Directors' Remuneration Report.

6 Finance income and expense

Finance income	**31 December 2021**	**31 December 2020**
	US$000	**US$000**

Foreign exchange gain	-	518
Bank interest receivable	-	25
Total	**-**	**543**

Finance expense	**31 December 2021**	**31 December 2020**
	US$000	**US$000**
Foreign exchange loss	466	-
Finance expense on lease	46	72
Total	**512**	**72**

7 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2021 and 31 December 2020, excluding dormant entities, were:

Subsidiary undertaking	**Principal activity**	**Country of incorporation**
Chariot Oil & Gas Investments (Namibia) Limited	Holding company	Guernsey
Chariot Oil & Gas Investments (Morocco) Limited	Oil and gas exploration	Guernsey
Chariot Oil and Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey
Chariot Oil & Gas Holdings (Morocco) Limited	Oil and gas exploration	UK
Chariot Rissana Limited	Oil and gas exploration	UK
Chariot Transitional Power Limited	Holding company	UK
AEMP Essakane Solar SAS[1]	Holding company	France
Africa Energy Management Platform[1]	Service company	Mauritius

[1]Indirect shareholding of the Company.

8 Taxation

The Company is tax resident in the UK, however no tax charge arises due to taxable losses for the year (31 December 2020: US$Nil).

No taxation charge arises in Morocco or the group subsidiaries as they have recorded taxable losses for the year (31 December 2020 in Brazil: US$1,000)

There was no deferred tax charge or credit in either period presented.

Factors affecting the tax charge for the current year

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to losses for the year are as follows:

	31 December 2021	**31 December 2020**
	US$000	**US$000**
Tax reconciliation		
Loss on ordinary activities for the year before tax	(6,960)	(70,619)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (31 December 2020: 19%)	(1,322)	(13,418)
Non-deductible expenses	212	12,882

Difference in tax rates in other jurisdictions	-	-
Deferred tax effect not recognised	1,110	537
Total taxation charge	**-**	**1**

The Company had tax losses carried forward on which no deferred tax asset is recognised. Deferred tax not recognised in respect of losses carried forward total US$8.7 million (31 December 2020: US$7.6 million). Deferred tax assets were not recognised as there is uncertainty regarding the timing of future profits against which these assets could be utilised.

9 Loss per share

The calculation of basic loss per Ordinary share is based on a loss of US$6,960,000 (31 December 2020: loss of US$70,620,000) and on 519,854,783 Ordinary shares (31 December 2020: 379,349,854) being the weighted average number of Ordinary shares in issue during the year. Potentially dilutive share awards are detailed in note 21, however these do not have any dilutive impact as the Group reported a loss for the year, consequently a separate diluted loss per share has not been presented.

10 Exploration and evaluation assets

	31 December 2021	31 December 2020
	US$000	US$000
Net book value brought forward	**12,822**	**78,264**
Additions	18,928	1,224
Impairment	-	(66,666)
Net book value carried forward	**31,750**	**12,822**

As at 31 December 2021 the net book value of the Moroccan geographic area is US$31.8 million (31 December 2020: US$12.8 million).

In the prior year the activities in Namibia and Brazil were assessed as non-core with substantive expenditure not planned in the near term, and as such full impairments were recorded against each respective geographic area.

11 Business Combination

On 25 June 2021 the Company completed the acquisition of the business of Africa Energy Management Platform ("AEMP") including the related 10% holding in the Essakane project. AEMP is a renewable and hybrid energy project developer with an ongoing strategic partnership with Total Eren, a leading global player in renewable energy, and qualifies as a business as defined in IFRS 3. AEMP was acquired as an extension of the updated strategy to have a positive impact on the environment, the countries and the communities in which the Company operates.

Consideration and fair value of assets and liabilities acquired

As initial consideration for the acquisition the Company paid US$0.1 million in cash and issued 9,196,926 new ordinary shares at a value of US$0.7 million. Deferred consideration representing 1,982,096 new ordinary shares is payable dependent on certain project pipeline targets being met, which has been recognized in equity. The consideration shares were valued at US$0.07 (5.16p) being the close price on the day preceding completion of the acquisition.

At acquisition, total identifiable assets and liabilities assumed were US$0.5 million, the majority of which was attributable to the 10% project equity held in the operational Essakane power project which was recognised at fair value based on assessment of the underlying cashflows. The balance of the consideration of US$0.4 million has been allocated to goodwill. None of the goodwill is expected to be deductible for income tax purposes. No impairment of the investment in power projects or goodwill was identified in the period from acquisition to 31 December 2021. If the deal had been completed at the start of 2021 the impact on revenue and profit of the combined Group would be less than US$10,000.

The amounts recognized in respect of the identified assets acquired and liabilities assumed are set out in the table below.

	25 June 2021
	US$000
Investment in power projects	450
Trade receivables	5
Cash	69
Trade payables	(12)
Total identifiable assets acquired and liabilities assumed	**512**
Goodwill	380
Total consideration	**892**
Satisfied by:	
Cash	90
New ordinary shares	660
Deferred consideration payable in shares to be issued	142
Total consideration transferred	**892**

Contingent payments

Further contingent payments representing a maximum of 3,964,192 new ordinary shares are payable to key members of the AEMP team dependent on their retention and certain project pipeline targets being met and will be recognised as share based payments in the Consolidated Statement of Comprehensive Income over the retention period. See note 21 for further details.

12 Property, plant and equipment

	Fixtures, fittings and equipment	Fixtures, fittings and equipment
	31 December 2021	31 December 2020
	US$000	US$000
Cost		
Brought forward	1,356	1,348
Additions	72	8
Disposals	-	-
Carried forward	1,428	1,356
Depreciation		
Brought forward	1,313	1,254
Charge	31	59
Carried forward	1,344	1,313
Net book value brought forward	**43**	**94**
Net book value carried forward	**84**	**43**

13 Trade and other receivables

	31 December 2021	31 December 2020
	US$000	US$000
Other receivables and prepayments	1,167	811

The fair value of trade and other receivables is equal to their book value.

14 Inventory

	31 December 2021	31 December 2020
	US$000	US$000
Wellheads and casing	1,183	-

Remaining items of inventory from earlier drilling campaigns were disposed of in 2020 resulting in a loss on disposal of US$0.5 million.

15 Cash and cash equivalents

	31 December 2021	31 December 2020
Analysis by currency	US$000	US$000
US Dollar	15,567	1,844
Euro	135	-
Sterling	3,130	1,815
Moroccan Dirham	538	-
Other	36	81
	19,406	**3,740**

As at 31 December 2021 and 31 December 2020 the US Dollar and Sterling cash is held in UK and Guernsey bank accounts. All other cash balances are held in the relevant country of operation.

As at 31 December 2021, the cash balance of US$19.4 million (31 December 2020: US$3.7 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2021	31 December 2020
	US$000	US$000
Moroccan licences	5,350	500
	5,350	**500**

The funds are freely transferable but alternative collateral would need to be put in place to replace the cash security.

16 Leases

The lease relates to the UK office.

Right-of-use asset:

	31 December 2021	31 December 2020
	US$000	US$000
Brought forward	655	983
Depreciation	(327)	(328)
Carried forward	**328**	**655**

Lease liability:

	31 December 2021	31 December 2020
	US$000	US$000
Current	430	409
Non-current	-	440
Total lease liability	**430**	**849**

The maturity analysis of the lease liability at 31 December 2021 is as follows:

	31 December 2021	31 December 2020
	US$000	**US$000**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	453	454
Between one and two years	-	453
Between two and three years	-	-
Total undiscounted lease liabilities	**453**	**907**
Effect of interest	(23)	(58)
Total lease liability	**430**	**849**

17 Trade and other payables

	31 December 2021	31 December 2020
	US$000	**US$000**
Trade payables	9,470	816
Accruals	5,888	244
	15,358	**1,060**

The fair value of trade and other payables is equal to their book value.

18 Share capital

	Allotted, called up and fully paid			
	31 December 2021	**31 December 2021**	**31 December 2020**	**31 December 2020**
	Number	**US$000**	**Number**	**US$000**
Ordinary shares of 1p each[1]	**759,587,023**	**11,696**	**388,367,946**	**6,549**

1. The authorised and initially allotted and issued share capital on admission (19 May 2008) has been translated at the historic rate of US$GBP of 1.995. The shares issued since admission have been translated at the date of issue, or, in the case of share awards, the date of grant and not subsequently retranslated.

Details of the Ordinary shares issued are in the table below:

Date	Description	Price US$	No. of shares
31 December 2019			**367,532,909**
27 April 2020	Issue of share award	0.18	463,768
27 April 2020	Issue of share award	0.42	133,334
27 April 2020	Issue of share award	0.53	154,285
27 April 2020	Issue of share award	4.38	42,000
27 April 2020	Issue of share award	0.50	913,822
27 April 2020	Issue of share award	0.33	700,000
27 April 2020	Issue of share award	0.39	937,500
27 April 2020	Issue of share award	0.12	1,352,875
27 April 2020	Issue of share award	0.20	1,369,541
27 April 2020	Issue of share award	0.05	864,134
27 April 2020	Issue of share award	0.02	2,958,329
27 April 2020	Issue of share award	0.11	278,082
27 April 2020	Issue of share award	0.19	1,168,142
27 July 2020	Issue of share award	0.39	411,011
27 July 2020	Issue of share award	0.15	411,011
27 July 2020	Issue of share award	0.07	1,564,286
27 July 2020	Issue of share award	0.10	1,318,841

27 July 2020	Issue of share award	0.20	1,825,000
27 July 2020	Issue of share award	0.16	1,495,693
27 July 2020	Issue of share award	0.03	2,473,383
31 December 2020			**388,367,946**
25 June 2021	Issue of initial consideration shares for acquisition of AEMP	0.07	9,196,926
25 June 2021	Issue of shares at £0.055 in Placing, Subscription, Open Offer and fees	0.08	238,512,856
19 July 2021	Issue of shares at £0.055 in Placing, Subscription, Open Offer and fees	0.08	645,351
15 December 2021	Issue of shares at £0.07 in Placing, Subscription and fees	0.09	101,639,842
22 December 2021	Issue of shares at £0.07 in Open Offer	0.09	21,224,102
31 December 2021			**759,587,023**

19 Related party transactions

Key management personnel comprises the Directors and details of their remuneration are set out in note 5 and the Directors' Remuneration Report.

Magna Capital LDA (of which Adonis Pouroulis, Acting CEO, has a substantial interest), underwrote an equity fundraising in June 2021 to ensure that the total fundraising equated to approximately US$23 million. The underwriting commitment was fulfilled by subscription of shares after the balance sheet date and the Company received proceeds totalling US$5 million, as detailed in note 23. The underwriting commitment constitutes a related party transaction.

Kinsella Consulting Limited, a company of which Adonis Pouroulis is a Director, incurred costs on behalf of Chariot Ltd for which it was reimbursed during the year of US$8,813 (31 December 2020: US$Nil). The amount outstanding as at 31 December 2021 was US$Nil (31 December 2020: US$Nil).

There were no related party transactions during the year ended 31 December 2020.

20 Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. Throughout the year ending 31 December 2021, no trading in financial instruments was undertaken (31 December 2020: US$Nil). There is no material difference between the book value and fair value of the Group cash balances, short-term receivables and payables.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) and foreign exchange rates (currency risk). Throughout the year, the Group has held surplus funds on deposit, principally with its main relationship bank Barclays, on fixed short-term deposits. The credit ratings of the main relationship bank the Group holds cash with do not fall below A or equivalent. The Group does not undertake any form of speculation on long term interest rates or currency movements, therefore it manages market risk by maintaining a short-term investment horizon and placing funds on deposit to optimise short term yields where possible but, moreover, to ensure that it always has sufficient cash resources to meet payables and other working capital requirements when necessary. As such, market risk is not viewed as a significant risk to the Group. The Directors have not disclosed the impact of interest rate sensitivity analysis on the Group's financial assets and liabilities at the year-end as the risk is not deemed to be material.

This transactional risk is managed by the Group holding the majority of its funds in US Dollars to recognise that US Dollars is the trading currency of the industry, with an appropriate balance maintained in Sterling, Euro and Moroccan Dirham to meet other non-US Dollar industry costs and ongoing corporate and overhead commitments.

At the year end, the Group had cash balances of US$19.4 million (31 December 2020: US$3.7 million) as detailed in note 15.

Other than the non-US Dollar cash balances described in note 15, no other material financial instrument is denominated in a currency other than US Dollars. A 10% adverse movement in exchange rates would lead to a foreign exchange loss of US$380,000 and a 10% favourable movement in exchange rates would lead to a corresponding gain; the effect on net assets would be the same as the effect on profits (31 December 2020: US$190,000).

Capital

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable it to meet its working capital and strategic investment needs. The Group currently holds sufficient capital to meet its ongoing needs for at least the next 12 months.

Liquidity risk

The Group's practice is to regularly review cash needs and to place excess funds on fixed term deposits. This process enables the Group to optimise the yield on its cash resources whilst ensuring that it always has sufficient liquidity to meet payables and other working capital requirements when these become due.

The Group has sufficient funds to continue operations for the forthcoming year and has no perceived liquidity risk.

Credit risk

The Group's policy is to perform appropriate due diligence on any party with whom it intends to enter into a contractual arrangement. Where this involves credit risk, the Group will put in place measures that it has assessed as prudent to mitigate the risk of default by the other party. This could consist of instruments such as bank guarantees and parent company guarantees.

As such, the Group has not put in place any particular credit risk measures in this instance as the Directors view the risk of default on any payments due from the joint venture partner as being very low.

21 Share based payments

Long Term Incentive Scheme ("LTIP")

The plan provides for the awarding of shares to employees and Directors for nil consideration. The award will lapse if an employee or Director leaves employment.

Shares granted when an individual is an employee will vest in equal instalments over a three year period from the grant date and shares granted when an individual is a Director or otherwise specified will vest three years from the end of the year or period the period to which the award relates.

The Group recognised a charge under the plan for the year to 31 December 2021 of US$533,000 (31 December 2020: US$200,000).

The following table sets out details of all outstanding share awards under the LTIP:

	31 December 2021	**31 December 2020**
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**7,401,780**	**25,000,645**
Granted during the year	20,841,085	5,431,712
Shares issued for no consideration during the year	-	(20,835,037)
Lapsed during the year	-	(2,195,540)
Outstanding at the end of the year	**28,242,865**	**7,401,780**
Exercisable at the end of the year	**7,379,562**	**6,044,990**

Non-Executive Directors' Restricted Share Unit Scheme ("RSU")

The plan provides for the awarding of shares to Non-Executive Directors for nil consideration. An award can be Standalone or Matching.

Standalone share awards are one-off awards to Non-Executive Directors which will vest in equal instalments over a three year period and will lapse if not exercised within a fixed period on stepping down from the Board.

Matching share awards will be granted equal to the number of existing Chariot shares purchased by the Non-Executive Director in each calendar year capped at the value of their gross annual fees for that year. The shares will vest in equal instalments over a three year period and will lapse if not exercised prior to stepping down from the Board or if the original purchased shares are sold prior to the vesting of the relevant Matching award. Any potential Matching awards not granted in a calendar year shall be forfeited and shall not roll over to subsequent years.

The Group recognised a charge under the plan for the year to 31 December 2021 of US$142,000 (31 December 2020: US$22,000).

The following table sets out details of all outstanding share awards under the RSU:

	31 December 2021	**31 December 2020**
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**2,839,875**	**2,839,875**
Granted during the year	5,915,281	-
Outstanding at the end of the year	**8,755,156**	**2,839,875**
Exercisable at the end of the year	**2,623,568**	**2,407,860**

Post-acquisition share-based payment charge

Contingent payments representing a maximum of 3,964,192 new ordinary shares are payable to key members of the AEMP team dependent on their retention and certain project pipeline targets being met and will be recognised as share based payments in the Consolidated Statement of Comprehensive Income over the retention period. The Group recognised a charge of US$85,000 in the year to 31 December 2021.

22 Contingent liabilities

From 30 December 2011 the Namibian tax authorities introduced a withholding tax of 25% on all services provided by non-Namibian entities which are received and paid for by Namibian residents. From 30 December 2015 the withholding tax was reduced to 10%. As at 31 December 2021, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2020: US$Nil). Any subsequent exposure to Namibian withholding tax will be determined by how the relevant legislation evolves in the future and the contracting strategy of the Group.

23 Events after the balance sheet date

The Directors consider these events to be non-adjusting post balance sheet events.

a) Significant gas discovery at Anchois-2 well

On 10 January 2022 the Company announced a significant gas discovery at the Anchois-2 gas appraisal and exploration well in the Lixus Offshore licence, Morocco. On 31 March 2022 the Company announced an upgrade to the net gas pay estimates previously announced and confirmed excellent quality gas with further analysis ongoing to understand the positive impact on gas resources.

b) Issue of Underwriting Shares (the "Underwriting Commitment")

Magna Capital LDA (of which Adonis Pouroulis, Acting CEO, has a substantial interest), underwrote the June 2021 equity fundraising to ensure the total fundraising equated to approximately US$23 million. Accordingly, 33,742,396 new Ordinary shares were admitted on 31 January 2022 and 33,742,396 new Ordinary shares were admitted on 3 March 2022 and the Company received proceeds totalling US$5 million. The Underwriting Commitment constitutes a related party transaction.

c) Award of Rissana Offshore Licence ("Rissana")

On 28 February 2022 the Company announced that a wholly owned subsidiary of Chariot Ltd had been formally awarded a 75% interest and operatorship of the Rissana licence, Morocco in partnership with the Office National des Hydrocarbures et des Mines ("ONHYM") which holds a 25% carried interest.

d) Placing, subscription and open offer (the "Fundraising")

On 10 June 2022 the Company announced the approval by shareholders at a General Meeting of an equity Fundraising for 130,930,606 new Ordinary Shares at a price of 18 pence per share. The new Ordinary Shares were admitted and the Company received gross proceeds totalling US$29.5 million.