



28 October 2010

Chariot Oil & Gas Limited

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

CPR confirms Chariot's estimate of gross mean prospective resource volumes

Chariot Oil & Gas Limited (AIM: CHAR), the Africa focused oil and gas exploration company, is pleased to announce the results from its independent Competent Person's Report ("CPR") from Netherland Sewell & Associates Inc. ("NSAI") which reports a gross P50 unrisks prospective resource volumes of 9.03 billion barrels with a gross mean unrisks prospective resource volumes of 10.08 billion barrels for its 4 licences offshore Namibia. This compares with and supports Chariot's internal gross mean unrisks prospective resource figure of 10.06 billion barrels, as announced in its resource update on 6 September 2010.

Highlights:

- Gross mean risks resource potential of 1.13 billion bbls (Net to Chariot - 0.85 billion bbls)
- Chariot determines an Expected Monetary Value ("EMV") of £4.6 billion (P50) – corresponding to £5.98/bbl (US\$9.27/bbl) per net risks bbl
- Probabilities of Success marginally higher – average up from 10.7% to 11.3%
- Underpins investment case and supports the excellent work undertaken by Chariot's in-house technical team

The CPR was independently compiled by industry specialist Netherland Sewell & Associates Inc. and this corroboration of volume potential is both a strong endorsement of work undertaken by Chariot to date and underscores the significant value held within the Company's licence areas. NSAI performed evaluation work on the original CPR undertaken for Chariot at the time of its admission to trading on AIM in May 2008 and is highly regarded in its field for work of this nature.

As part of the new CPR, NSAI undertook a geologic risk assessment on the 11 prospects and 6 lead inventory as identified by Chariot and conducted an independent review of the individual prospect and lead risking. NSAI's risking was slightly improved from the Chariot risking in that the average Probabilities of Success increased from 10.7% to 11.3%. In addition, NSAI commented "Chariot is currently conducting 3-D seismic analysis, and we believe the results of this analysis may further reduce prospect risk". The results of this analysis are expected to be completed during the 4th Qtr of 2010.

On receiving the report, the Company has calculated a total risks EMV of £4.6 billion, equivalent to £5.98 / bbl (US\$9.27/bbl). This is the first time that an EMV has been placed on the assets to date.

As noted in the NSAI report, "Chariot's technical evaluation and documentation are comprehensive and high quality," and it is a testament to the work that has been undertaken to date that resource figures similar to Chariot's own calculations were generated by a third party. Please see table below for a breakdown of the key figures from the CPR.

Paul Welch, CEO of Chariot commented:

"I am delighted to report that the CPR has confirmed our previous resource estimates and has also provided a representative value for our assets. The validation of our resource potential not only consolidates our investment case but is also indicative of the excellent work carried out by our in-house technical team. The risking and subsequent value that is now attributable to our assets underpins our conviction that Chariot continues to offer huge upside potential."

Licence Area / Prospect or Lead	Unrisked Gross (100 Percent) Prospective Oil Resources (MMBBL)				P _g %	Prospective Post-Tax Cash Flow ⁽²⁾ Discounted at 10%(MM\$)	
	Low Estimate	Best Estimate	High Estimate	Mean ⁽¹⁾		Unrisked	Risked
Northern Licences							
Tapir North Prospect	166	278	451	294	14	2,725	382
Tapir Prospect	89	139	211	146	14	964	135
Tapir South Prospect	122	190	277	196	14	1,830	256
Tapir South Fan Prospect	83	175	319	190	12	1,402	168
Zamba North Prospect	53	91	141	95	12	711	85
Tapir Northeast Lead	180	296	449	306	12	2,877	345
Zamba Lead	350	667	1,145	713	15	6,862	1,029
Total – Northern Licences	1,043	1,836	2,993	1,940			
Southern Licences							
A Prospect	126	215	339	225	16	2,292	367
B Prospect	197	301	448	313	16	3,168	507
C Prospect	149	326	620	361	16	3,312	530
G Prospect	394	712	1,192	759	16	7,661	1,226
H Prospect	273	450	714	475	16	4,891	783
K Prospect	248	518	979	571	16	5,438	870
C Stratigraphic Lead	321	942	2,153	1,118	12	10,397	1,248
Total - Southern Licences	1,709	3,465	6,445	3,821			
Central Licences ⁽³⁾							
Hartebeest Lead	502	1,489	3,287	1,720	7	15,491	1,084
Klipspringer Lead	587	1,772	3,916	2,055	7	17,770	1,244
Oryx Lead	157	467	1,025	543	6	4,625	278
Total Central Licences	1,246	3,728	8,228	4,318			
TOTAL:	3,998	9,028	17,666	10,079			

Totals are the arithmetic sum of multiple probability distributions and may not add up because of rounding.

- (1) Mean values are reported in addition to the low, best and high estimates for each prospect and lead.
- (2) NSAI have not summed post-tax cash flows because of the expected interdependence of prospects and leads.
- (3) Leads in the Central Licences were assessed with 2D seismic data only; all other prospects and leads were assessed with 3D seismic data.

The resources in the report were estimated using a combination of deterministic and probabilistic methods and are dependent on a petroleum discovery being made. These estimates were prepared in accordance with generally accepted petroleum engineering and evaluation principles and in accordance with the 2007 PRMS definitions and guidelines as approved by the SPE.

QUALIFIED PERSON

Martin Richards, Chariot's Chief Reservoir Engineer, is the qualified person for the purpose of this release. Martin has worked in the oil and gas industry for over 30 years and has an in-depth experience of all aspects of subsurface management, reservoir engineering and petroleum economics. He has an MA in Physics from Oxford University, an MSc in Geophysics and Planetary Physics from Newcastle University and an MEng in Petroleum Engineering from Heriot-Watt University. He has read and approved the technical disclosures in this announcement.

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. The Group currently holds licences covering eight blocks in Namibia, all of which are offshore. All of these blocks are currently in the exploration phase.

Shares in Chariot Oil & Gas limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.