21 September 2012

Chariot Oil & Gas Limited

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

Interim Results

Chariot Oil & Gas Limited (AIM: CHAR), an independent Africa focused oil and gas exploration company, today announces its unaudited interim results for the period ended 30 June 2012.

Highlights during and post period:

- Farm-out agreements with BP and PGS approved by Namibian Ministry of Mines and Energy, back costs received
- Completion of 3,500km^2 3D seismic acquisition in Central Blocks in conjunction with PGS
- Placing completed, raising US$48.7m (gross) in advance of the first well
- Completed and safely operated drilling of Tapir South well in Northern licence
- Acquired Block C19 offshore Mauritania – expanding the portfolio in line with Company strategy
- Drilling of Kabeljou-1 well in Southern licence, completed in partnership with Petrobras (Operator) and BP
- Debt free with a cash position of US$112.4 million at 30 June 2012

Outlook:

- Detailed analyses to be carried out on the data sets received from the drilling of the Tapir South and Kabeljou-1 wells and resource updates to be provided
- Resource update to be provided on Central Blocks following the processing and interpretation of the 3,500km^2 3D seismic acquisition – farm-out data room to open subsequently
- 3D seismic acquisition programme to commence offshore Mauritania
- Further opportunities to be added to the portfolio
- Remainder of the Namibian drilling programme to be determined with further drilling planned for 2013

Paul Welch, CEO of Chariot, commented:

"The initiation of the Company's drilling campaign has been a significant achievement for Chariot and the majority of our work prior to 2012 had been leading up to this point. We have positioned ourselves well in anticipation of various outcomes and, as a result of this forward planning, have maintained a strong cash balance. Furthermore we have multiple future targets for drilling in different geographic locations targeting different geological play types, as well as the opportunity to add new assets to our portfolio. Despite the recent well results being disappointing, we are still in control of our next steps and will seek to preserve this

position in order to get the best value for shareholders over the longer term. We remain committed to our efforts in Namibia and will update the market with our drilling objectives for 2013 in due course."

Chief Executive's Review:

The year to date has been focused on furthering our exploration plans and executing our stated objective of drilling two exploration wells; one in each of our Northern and Southern licence areas in Namibia. Whilst these wells were not discoveries as we would have wished, there are still positives to be taken from our activities – most notably the better understanding of the subsurface we have acquired from the data obtained. When exploring in frontier environments, the information available prior to drilling is limited, and whilst we seek to de-risk our prospects as much as possible, the risk element is still substantial. Now we have significantly more data that can be used to calibrate our large 3D seismic surveys which will materially benefit our future exploration activities.

The six months to 30 June 2012 saw us complete a successful placing that raised proceeds of US$48.7 million (gross). This boosted our working capital position and has given us a significant cash cushion which we will utilise over the coming months to get the best out of our follow up exploration efforts.

In addition to the drilling campaign and placing, the Company also completed, in conjunction with PGS, a 3500km² 3D seismic survey in the Central Blocks in January, making Chariot's accumulated data sets the most comprehensive to have been acquired offshore Namibia to date. The geological and geophysical team has commenced its interpretation of this data and the results of which will be reported to the market in Q4 of 2012.

Whilst this analysis, alongside that of the well results, will be invaluable to the development of Chariot's Namibian assets, the Company is also very pleased to have acquired acreage and the corresponding 2D seismic information in Mauritania which will broaden our prospect and lead inventory. Reinterpretation of this existing data is currently underway along with the planning activity for the acquisition of a 3D seismic survey.

Commencement of Drilling Campaign

In April, Chariot commenced its drilling campaign with the operation of the Tapir South (1811/5-1) exploration well. The well was drilled to a total depth of 4,879 metres TVDss by the Maersk Deliverer semi-submersible rig in 2,134 metres of water. Whilst the well encountered no commercial hydrocarbons, excellent reservoirs were penetrated and we are currently analysing the recovered samples. The analyses of these samples is anticipated to provide a definitive view of the source rock potential in the area and, following on from this, the prospective resources of other prospects identified within close proximity to the well will be updated. This will enable the Company to determine its future strategy in this region.

The second exploration well, Kabeljou-1 (2714/6-1), was drilled with our partners BP and Petrobras (Operator) to a total depth of 3,150 metres TVDss by the Ocean Poseidon drill ship. The well intersected the Nimrod delta as planned, source rocks were encountered and there were hydrocarbon shows; however, the reservoir was less developed than anticipated at this location and determined to be non-commercial. Detailed analyses are now underway on the data collected, results of which will be used to calibrate the existing data set and provide an updated resource estimate for this block. Nimrod was the largest target in this licence but there are other areas of interest, and the well results may identify additional prospectivity in other horizons. We will be discussing these findings and the next steps with our partners Petrobras and BP and will update the market with our plans in due course.

Subject to rig availability and in line with our farm-out strategy, we anticipate drilling a further two wells offshore Namibia next year. From the current inventory of prospects and leads the first one likely to be drilled will be Delta 1 in our Central licence area with the second to be confirmed after further evaluation and integration of recently acquired data sets from both the Tapir South and Kabeljou-1 wells.

Central Blocks - Resource Update

The Central Blocks are positioned within the Luderitz and Walvis Basins and as such are independent of the results of our Northern and Southern licences, which are also independent of each other.

Our Central licences are currently estimated to contain gross mean prospective resources of 8.3 billion barrels of oil based upon the interpretation of our 2D seismic data set acquired in 2009. As noted above, in January, the Company completed its 3,500km^2 3D seismic acquisition programme using PGS's Geostreamer technology across specific areas of interest. The survey targeted a region in the north-eastern section of the licence which comprises 11 leads and is estimated to contain gross mean prospective resources of 3.972 billion barrels of oil. Of particular interest in this area are leads that occur in several different target intervals within both structural and stratigraphic traps as well as an indication that two source rock levels are mature for oil generation.

It is anticipated that Chariot will have received all of the 3D data volumes from the programme in October, ahead of schedule, which will then be interpreted by our in-house technical team. The quality of the data, reviewed to date, is excellent and we look forward to being able to provide an update to the prospective resources and mature leads to prospects within the inventory in Q4 of 2012. On completion, the Company will be reopening the data room with the aim to farm-down a portion of this licence area to share the costs of the drilling of the next well.

Developing the Portfolio

In April 2012, Chariot announced the addition of block C19 offshore Mauritania. The licence is 12,175km^2 in size and located 30km off the coast with water depths ranging from 5 metres to 2,100 metres. Like Namibia, Mauritania is a country with a proven petroleum system but remains relatively under explored. Chariot is pleased to have negotiated a sizeable position here as it is a country with a favourable working environment, fair fiscal terms and a developed, stable resource sector.

Existing 2D seismic data sets are currently being reinterpreted with the intention of identifying targets that will be included in a 1,600km^2 3D seismic survey. It is anticipated that following this, the technical team will be able to expand the prospect and lead inventory and identify mature targets for drilling. A potential well has been earmarked for late 2013, early 2014 when a drilling rig is expected to be in the country working for another operator.

As part of its forward looking strategy, the Company seeks to further expand its portfolio in order to mitigate risk and balance its portfolio. We continue to carefully evaluate further opportunities that would be of suitable fit and have been making progress on this concurrently to the exploration activity, with two opportunities well advanced.

Financial Results

The Group is debt free and held cash balances of US$112.4m at 30 June 2012 (US$129.0m at 31 December 2011).

The Group incurred a loss of US$83.8m for the six months ended 30 June 2012 (31 August 2011: US$4.3m) which included an impairment charge of US$80.8m for the Tapir South Well. Share based payments charges and other administrative expenses at US$3.7m were slightly lower than US$4.1m for the six months ended 31 August 2011.

Net cash outflow from operating activities before changes in working capital was US$2.9m (31 August 2011: US$3.0m).

Capitalized exploration costs in the period of US$97.8m (31 August 2011: US$3.7m) were funded by existing cash, US$48.7m gross share placing proceeds received in March 2012, the receipt of the BP farm-out cash and working capital movements.

Looking Forward

Following our recent drilling and seismic programmes, we have a significant and valuable volume of data to evaluate and process in order to determine the next prospects to be drilled. This proprietary information is crucial to our geologic understanding and we feel that, despite the disappointment of the well results, we can move forward and benefit from this platform of knowledge that we have uniquely acquired. We remain of the conviction that Namibia is a key region for frontier oil and gas exploration and look forward to pursuing our campaign there over the coming months and years.

Our new opportunity strategy has commenced with the addition of Mauritania and dovetails in with our Namibian plans as we continue to look to identify underexplored and overlooked assets that would add further value to our portfolio. We look forward to updating the market in this regard in the near term.

Paul Welch
CEO
20 September 2012

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Chariot Oil & Gas Limited
Independent review report to Chariot Oil & Gas Limited

Introduction

We have been engaged by the company to review the set of financial statements in the half-yearly financial report for the six months ended 30 June 2012 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the set of financial statements in the half-yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP

Chartered Accountants and Registered Auditors

London

United Kingdom

20 September 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Chariot Oil & Gas Limited
Consolidated statement of comprehensive income for the six months ended 30 June 2012

	Note	Six months ended 30 June 2012 US$000 Unaudited	Six months ended 31 August 2011 US$000 Unaudited	Ten months ended 31 December 2011 US$000 Audited
Share based payments		(663)	(1,074)	(2,382)
Other administrative expenses		(3,005)	(3,043)	(5,554)
Impairment of exploration asset		(80,853)	-	-
Total administrative expenses		(84,521)	(4,117)	(7,936)
Loss from operations		**(84,521)**	**(4,117)**	**(7,936)**
Finance income		700	552	886
Finance expense		-	(763)	(2,109)
Loss for the period before taxation		**(83,821)**	**(4,328)**	**(9,159)**
Tax expense		-	-	-
Loss for the period and total comprehensive loss for the period attributable to equity owners of the parent		**(83,821)**	**(4,328)**	**(9,159)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	**3**	**US$(0.44)**	**US$(0.02)**	**US$(0.05)**

Chariot Oil & Gas Limited
Consolidated statement of changes in equity for the six months ended 30 June 2012

	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
For the six months ended 30 June 2012 (unaudited)							
As at 1 January 2012	**3,457**	**275,885**	**796**	**4,389**	**(1,241)**	**(46,615)**	**236,671**
Total comprehensive loss for the period	-	-	-	-	-	(83,821)	(83,821)
Issue of capital	287	48,450	-	-	-	-	48,737
Issue costs	-	(1,994)	-	-	-	-	(1,994)
Share based payments	-	-	-	663	-	-	663
Transfer of reserves due to issue of LTIPS	13	1,211	-	(1,224)	-	-	-
As at 30 June 2012	**3,757**	**323,552**	**796**	**3,828**	**(1,241)**	**(130,436)**	**200,256**
For the six months ended 31 August 2011 (unaudited)							
As at 1 March 2011	**2,857**	**135,360**	**796**	**3,278**	**(1,241)**	**(38,345)**	**102,705**
Total comprehensive loss for the period	-	-	-	-	-	(4,328)	(4,328)
Issue of capital	587	146,105	-	-	-	-	146,692
Issue costs	-	(6,262)	-	-	-	-	(6,262)
Share based payments	-	-	-	1,074	-	-	1,074
Transfer of reserves due to issue of LTIPS	4	287	-	(291)	-	-	-
As at 31 August 2011	**3,448**	**275,490**	**796**	**4,061**	**(1,241)**	**(42,673)**	**239,881**

For the ten months ended 31 December 2011 (audited)

As at 1 March 2011	**2,857**	**135,360**	**796**	**3,278**	**(1,241)**	**(38,345)**	**102,705**
Total comprehensive loss for the period	-	-	-	-	-	(9,159)	(9,159)
Issue of capital	595	146,410	-	-	-	-	147,005
Issue costs	-	(6,262)	-	-	-	-	(6,262)
Share based payments	-	-	-	2,382	-	-	2,382
Transfer of reserves due to issue of LTIPS	5	377	-	(382)	-	-	-
Transfer of reserves due to exercised options	-	-	-	(889)	-	889	-
As at 31 December 2011	**3,457**	**275,885**	**796**	**4,389**	**(1,241)**	**(46,615)**	**236,671**

Chariot Oil & Gas Limited
Consolidated Statement of Financial Position as at 30 June 2012

	Notes	30 June 2012 US$000 Unaudited	31 August 2011 US$000 Unaudited	31 December 2011 US$000 Audited
Non-current assets				
Exploration and appraisal costs	**4**	105,878	96,358	88,889
Property, plant and equipment		252	373	221
Total non-current assets		**106,130**	**96,731**	**89,110**
Current assets				
Trade and other receivables		1,188	1,766	20,465
Inventory		6,994	2,918	4,678
Cash and cash equivalents		112,423	139,588	128,990
Total current assets		**120,605**	**144,272**	**154,133**
Total assets		**226,735**	**241,003**	**243,243**
Current liabilities				
Trade and other payables		26,479	1,122	6,572
Total current liabilities		**26,479**	**1,122**	**6,572**
Total liabilities		**26,479**	**1,122**	**6,572**
Net assets		**200,256**	**239,881**	**236,671**
Capital and reserves attributable to equity holders of the parent				
Share capital	**5**	3,757	3,448	3,457
Share premium		323,552	275,490	275,885
Contributed equity		796	796	796
Share based payment reserve		3,828	4,061	4,389
Foreign exchange reserve		(1,241)	(1,241)	(1,241)
Retained deficit		(130,436)	(42,673)	(46,615)
Total equity		**200,256**	**239,881**	**236,671**

Chariot Oil & Gas Limited
Consolidated cash flow statement for the six months ended 30 June 2012

	Six months ended 30 June 2012 US$000 Unaudited	Six months ended 31 August 2011 US$000 Unaudited	Ten months ended 31 December 2011 US$000 Audited
Operating activities			
Loss for the period before taxation	(83,821)	(4,328)	(9,159)
Adjustments for:			
Finance income	(700)	(552)	(886)
Finance expense	-	763	2,109
Depreciation	92	38	171
Gain on sale of property, plant and equipment	-	-	(5)
Share based payments	663	1,074	2,382
Impairment of exploration asset	80,853	-	-
Net cash outflow from operating activities before changes in working capital	**(2,913)**	**(3,005)**	**(5,388)**
Decrease / (increase) in trade and other receivables	129	(725)	(720)
Increase in trade and other payables	35	504	347
Increase in inventories	(2,316)	(2,918)	(4,678)
Net cash outflow from operating activities	**(5,065)**	**(6,144)**	**(10,439)**
Investing activities			
Finance income	415	552	886
Payments in respect of property, plant and equipment	(123)	(12)	(19)
Farm-in proceeds	18,500	-	-
Payments in respect of intangible assets	(77,322)	(3,697)	(9,324)
Proceeds from disposal of property, plant and equipment	-	-	30
Net cash outflow used in investing activities	**(58,530)**	**(3,157)**	**(8,427)**
Financing activities			
Issue of ordinary share capital	48,737	146,692	147,005
Issue costs	(1,994)	(6,262)	(6,262)
Net cash inflow from financing activities	**46,743**	**140,430**	**140,743**
Net increase/(decrease) in cash and cash equivalents in the period	**(16,852)**	**131,129**	121,877
Cash and cash equivalents at start of the period	**128,990**	**9,222**	**9,222**
Effect of foreign exchange rate changes on cash and cash equivalent	285	(763)	(2,109)
Cash and cash equivalents at end of the period	**112,423**	**139,588**	**128,990**

Chariot Oil & Gas Limited

Notes to the Interim Statements for the six months ended 30 June 2012

1. Accounting policies

Basis of preparation

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU.

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the period ended 31 December 2011. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

2. Financial reporting period

The interim financial information for the period 1 January 2012 to 30 June 2012 is unaudited but was the subject of an independent review carried out by the Company's auditors, BDO LLP. The financial statements also incorporate the unaudited figures for the interim period 1 March 2011 to 31 August 2011 and the audited period 1 March 2011 to 31 December 2011.

The financial information contained in this interim report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008.

The figures for the ten months to 31 December 2011 are not the Group's full statutory accounts for that period. The auditors' report on those accounts was unqualified, did not contain references to matters to which the auditors drew attention by way of emphasis and did not contain a statement under section 263 (3) of the Companies (Guernsey) Law 2008.

3. Loss per share

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Six months ended 30 June 2012	**Six months ended 31 August 2011**	**Ten months ended 31 December 2011**
Loss for the period US$'000	(83,821)	(4,328)	(9,159)
Weighted average number of shares	192,397,536	174,458,166	177,122,359
Loss per share, basic and diluted.*	**US$(0.44)**	**US$(0.02)**	**US$(0.05)**

*Inclusion of the potential ordinary shares would result in a decrease in the loss per share and, as such, is considered to be anti-dilutive. Consequently a separate diluted loss per share has not been presented.

4. Intangible assets

	Six months ended 30 June 2012	Six months ended 31 August 2011	Ten months ended 31 December 2011
	US$000	US$000	US$000
Balance brought forward	**88,889**	**92,661**	**92,661**
Additions	97,842	3,697	15,376
Farm-in proceeds	-	-	(19,148)
Impairment	(80,853)	-	-
Net book value	**105,878**	**96,358**	**88,889**

As at 30 June 2012 the net book values of the four cost pools are Northern Block offshore Namibia US$32.5m (31 December 2011: US$29.4m), Central Block offshore Namibia US$38.3m (31 December 2011: US$27.8m), Southern Block offshore Namibia US$32.7m (31 December 2011: US$31.7m) and Mauritania US$2.3m (31 December 2011: US$nil).

The impairment of is in respect of drilling the Tapir South Well in the Northern Block offshore Namibia.

5. Share capital

	Allotted, called up and fully paid					
	At 30 June 2012	At 30 June 2012	At 31 August 2011	At 31 August 2011	At 31 December 2011	At 31 December 2011
	Number	US$'000	Number	US$'000	Number	US$'000
Ordinary shares of 1p each	200,601,330	3,757	181,114,096	3,448	181,649,221	3,457

Details of the ordinary shares issued during the 6 month period to 30 June 2012 are given in the table below:

Date	Description	Price US$	No of shares
31 December 2011	**Opening Balance**		**181,649,221**
13 January 2012	Issue of shares as part of LTIP	0.42	187,333
6 February 2012	Issue of shares as part of LTIP	0.45	210,750
7 February 2012	Issue of shares as part of LTIP	4.38	126,450
9 March 2012	Issue of shares as part of LTIP	4.38	35,599
9 March 2012	Issue of shares as part of LTIP	0.57	209,406
20 March 2012	Issue of shares at £1.70 in Placing	2.69	18,110,400
15 June 2012	Issue of shares as part of LTIP	1.70	19,683
20 June 2012	Issue of shares as part of LTIP	1.70	52,488
At 30 June 2012			**200,601,330**

The ordinary shares have a nominal value of 1p. The share capital has been translated at the historic rate at the date of issue, or, in the case of the LTIP, the date of grant.

6. Events after the reporting period

On 27 July 2012 the Company announced the commencement of drilling operations on the Kabeljou-1 (2714/6-1) exploration well within the Southern Block 2714A offshore Namibia.

On 10 September 2012 the Company announced that the Kabeljou-1 (2714/6-1) exploration well within the Southern Block 2714A offshore Namibia had reached a total depth of 3,150 metres. Preliminary logging results indicated that no commercial hydrocarbons were found and that the well is to be plugged and abandoned. As at 30 June 2012 there is US$1.1m (31 December 2011: US$nil) in relation to drilling costs within the Southern Block offshore Namibia cost pool in intangible assets.