



29 August 2017

Chariot Oil & Gas Limited

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

Licence Update, Namibia

Blocks 2714A & 2714B ("Southern Blocks")

- **Chariot elects not to enter the next period in the Southern Blocks**
- **Framework agreed for an option for Chariot to back-in for 10% equity for no financial consideration after exploration drilling in the Southern Blocks**

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces that it has elected not to enter into the First Renewal Exploration Period of the exploration licences covering each of the Namibian Blocks 2714A and 2714B, and, as described below, has secured an option to back-in for 10% equity after the completion of future exploration drilling for no financial consideration.

Election not to enter the next period

Chariot has elected not to enter into the First Renewal Exploration Period of either of the exploration licences covering the Namibian Blocks 2714A and 2714B (Chariot 85% and operator; NAMCOR 10%; Quiver 5%). The Namibian Ministry of Mines and Energy and Chariot's partners have been notified of this decision and the process of withdrawal is now underway.

On behalf of the partnership, the Company acquired approximately 2,128 kilometres of 2D seismic data, prefunded the ION NamibiaSPAN long offset 2D seismic data and reprocessed the historic 3D seismic data over the Southern Blocks. Analysis of the integration of this seismic data with regional well data identified gas prospects AO1 and AO2 in the Aptian clastic onlap play.

The work undertaken by Chariot to define this prospectivity resulted in industry interest; however the technical risk associated with these prospects deterred potential partners from committing to a programme of exploration drilling in the current environment. The decision not to enter into the next period was made in line with the Company's risk management strategy, its focus on portfolio management and capital discipline.

Back-in Option

In exchange for facilitating the partnering programme to be undertaken by NAMCOR, Chariot has agreed the framework of an option for the Company to back-in for 10% ground floor equity from the remaining partners. This option can be exercised at Chariot's discretion for no consideration following the drilling of the first exploration well in each of the licences. The heads of terms of the option have been agreed and the final contract remains subject to approval by both the remaining partners and Chariot.

Larry Bottomley, CEO commented:

“The focus for Chariot is the delivery of transformational value through the discovery of material hydrocarbon accumulations. While it is clearly disappointing that we were unable to attract a partner on the Southern Blocks in the current environment, it is important that the Company maintain discipline in the management of risk and the allocation of capital. NAMCOR has requested that Chariot remain engaged in the partnering process through a zero cost option to back-in after exploration drilling in recognition of the depth of understanding of the Chariot team of these licences and the quality of technical work performed.

While supporting the remaining partners in these efforts, our operational focus is on preparing for the drilling programme in Morocco, progressing preparations to drill in the Central Blocks in Namibia and launching the partnering process in Brazil.

We would like to thank NAMCOR and the Ministry of Mines and Energy for continuing to facilitate our attempts to progress our acreage through to drilling.”

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. It holds licences covering two blocks in Namibia, three blocks in Morocco and four blocks in the Barreirinhas Basin offshore Brazil. All of these blocks are currently in the exploration phase.

The ordinary shares of Chariot Oil & Gas Limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.