**24 October 2008**

**Chariot Oil & Gas Limited**
**("Chariot", the "Company" or the "Group")**

## Mean Prospective Resources Increased by 1.3 billion barrels to over 5 billion barrels

Chariot Oil & Gas Limited, an independent oil and gas exploration group with interests in Namibia and Peru, today announces an increase in its mean prospective oil resources of over 1.3 billion barrels (up 34.2%) to 5.24 billion barrels from its offshore Namibian licences.

The upgrade follows analysis of reprocessed PSDM 2D seismic results by HRT Petroleum Ltda ("HRT"), as part of an ongoing effort to mature the prospect and lead inventory. Highlights of the findings include:

- an increase in the total mean prospective resource offshore Namibia of 1.3 billion barrels to 5.24 billion barrels (up from the 3.9 billion barrels previously reported) comprised of:
  - 889 million barrels ("mmbbls") in the northern blocks 1811A and 1811B,
  - 264 mmbbls in the southern blocks 2714A and 2714B;
- an increase of 1,058 mmbbls in best estimate P50 prospective resources to 4,780 mmbbls; and
- 17 new structural leads determined.

Kevin Broger, CEO commented, *"We are delighted to announce such a significant increase in our mean prospective resources within six months of listing on AIM. This outstanding improvement is a direct reflection of the fine geoscience work being conducted on the portfolio of blocks by HRT. The reprocessing of the existing 2D seismic data has indicated evidence of many new structural leads in both our northern and southern blocks, adding further weight to the prospectivity of the Namibian offshore basins and our portfolio."*

As stated in the update on 1 September 2008, pre-stack depth migration ("PSDM") reprocessing and mapping on the 2D seismic database in the Northern blocks (1811A and 1811B) has identified a series of new structural leads in the Campanian-aged horizons, some of which have possible direct hydrocarbon indicators. The occurrence of these has led to the expansion of the planned 3D seismic acquisition programme. Reinterpretation of the seismic data has confirmed the presence of four main structural leads in the Tapir Complex (all with a stratigraphic component); Tapir North, Tapir, Tapir South and Tapir Deep - increasing the mean prospective resource from an initial figure disclosed in the AIM admission document of 675 mmbbls, to 1,547mmbbls – a net increase of 872 mmbbls.

In the southern blocks, PSDM reprocessing and mapping has led to the identification of a series of new structural leads in the Campanian, Santonian and Albian-aged horizons. Reinterpretation of the Mastodon and Mammoth leads detailed in the AIM admission document has confirmed the presence of thirteen new structural leads (all with a stratigraphic component) increasing the mean prospective resource from an initial figure of 1,294 mmbbls, to 1,558 mmbbls - a net increase of 264 mmbbls.

3D compositional basin modelling performed by HRT has also corroborated evidence of the presence of an active petroleum system in the recently drilled Namibe basin. This provided further indications of an overcharged oil system in the blocks 1811A & B, as reported in the Competent Person's Report of the AIM Admission Document. The modelling in the southern blocks also showed important hydrocarbon charging and potential oil and gas accumulations in the structural traps mapped.

As previously reported, a newly expanded 1,500km$^2$ programme of 3D seismic acquisition is to commence in the northern blocks this month. Concurrent to this, a 3000km$^2$ 3D programme will be acquired in the southern blocks serving to further define these new leads.

The recalculated volumetrics which have led to the resource increase were based on probabilistic Monte Carlo simulations for these new structures.

The table below sets out the new values.

| Probabilistic Volume Method (Monte Carlo Simulation) | Gross attributable to Licence in MMbbls | | | | Net attributable to Group in MMbbls | | | | Risk Factor | Operator |
|---|---|---|---|---|---|---|---|---|---|---|
| | Low Estimate P90 | Best Estimate P50 | High Estimate P10 | MEAN | Low Estimate P90 | Best Estimate P50 | High Estimate P10 | MEAN | | |
| Lead Tapir - Campanian | 10 | 86 | 523 | 209 | 10 | 86 | 523 | 209 | 13 | Enigma |
| Lead Tapir - Campanian 2 | 23 | 94 | 348 | 149 | 23 | 94 | 348 | 149 | 13 | Enigma |
| Lead Tapir North - Campanian | 96 | 288 | 779 | 383 | 96 | 288 | 779 | 383 | 11 | Enigma |
| Lead Tapir North - Campanian 2 | 88 | 195 | 395 | 223 | 88 | 195 | 395 | 223 | 11 | Enigma |
| Lead Tapir - South - Campanian | 183 | 437 | 1053 | 546 | 183 | 437 | 1053 | 546 | 11 | Enigma |
| Lead Tapir - Deep | 5 | 22 | 89 | 37 | 5 | 22 | 89 | 37 | 10 | Enigma |
| Prospect Zamba | 197 | 670 | 2115 | 985 | 197 | 670 | 2115 | 985 | 14 | Enigma |
| Lead Scimitar | 120 | 246 | 512 | 288 | 120 | 246 | 512 | 288 | 8 | Enigma |
| Lead Mastodon - Campanian Lead 1 | 1 | 5 | 30 | 12 | 1 | 5 | 30 | 12 | 13 | Enigma |
| Lead Mastodon - Campanian Lead 2 | 2 | 9 | 46 | 19 | 2 | 9 | 46 | 19 | 13 | Enigma |
| Lead Mastodon - Campanian Lead 3 | 6 | 22 | 79 | 34 | 6 | 22 | 79 | 34 | 13 | Enigma |
| Lead Mastodon - Campanian Lead 4 | 7 | 16 | 33 | 18 | 7 | 16 | 33 | 18 | 13 | Enigma |
| Lead Mastodon - Campanian Lead 5 | 3 | 9 | 27 | 12 | 3 | 9 | 27 | 12 | 13 | Enigma |
| Lead Mammoth - Santonian Lead 1 | 24 | 171 | 1136 | 465 | 24 | 171 | 1136 | 465 | 13 | Enigma |
| Lead Mammoth - Santonian Lead 2 | 25 | 109 | 494 | 205 | 25 | 109 | 494 | 205 | 13 | Enigma |
| Lead Mammoth - Santonian Lead 3 | 15 | 59 | 229 | 99 | 15 | 59 | 229 | 99 | 13 | Enigma |
| Lead Mammoth - Santonian Lead 4 | 5 | 19 | 60 | 28 | 5 | 19 | 60 | 28 | 13 | Enigma |
| Lead Mammoth - Santonian Lead 5 | 6 | 35 | 245 | 95 | 6 | 35 | 245 | 95 | 13 | Enigma |
| Lead Albian 1 | 18 | 75 | 332 | 139 | 18 | 75 | 332 | 139 | 11 | Enigma |
| Lead Albian 2 | 38 | 188 | 910 | 374 | 38 | 188 | 910 | 374 | 11 | Enigma |
| Lead Albian 3 | 19 | 47 | 111 | 58 | 19 | 47 | 111 | 58 | 11 | Enigma |
| Lead Woolly Rhino | 51 | 173 | 606 | 258 | 51 | 173 | 606 | 258 | 11 | Enigma |
| Lead Sabertooth Cat | 208 | 378 | 670 | 417 | 208 | 378 | 670 | 417 | 8 | Enigma |
| **Total for Oil & Liquids *** | 3,314 | 4,780 | 7,472 | 5,237 | 3,314 | 4,780 | 7,472 | 5,237 | | Enigma |

* Total resource numbers are probabilistically summed and therefore the figures do not add arithmetically

Where individual leads defined on 2D seismic are vertically stackable and potentially drillable with a single well, we have combined these into prospect areas. For example, in the southern blocks two prospects are now evident. The revised Combo prospect has stackable Campanian (1, 2, 3), Santonian (1) and Albian (1) structural leads and the stratigraphic Woolly Rhino for a chance at 927mmbbls mean prospective resource. An additional prospect combines Campanian (4), Santonian (2) and Albian (2) structural leads at 596 mmbbls.

In the northern blocks, three prospects are now evident. Tapir North has stackable leads in the Campanian at 606 mmbbls of mean prospective resource. Tapir also has stackable leads in the Campanian for 358 mmbbls. Additionally, prospect Zamba is a well defined Albian structural feature with mean prospective resources of 985 mmbbls, an increase of 17 mmbbls from the initial figure disclosed in the AIM admission document.

**For further information please contact:**


**Chariot Oil & Gas Limited** **+44 (0)20 7357 9477**
Kevin Broger, CEO

**KPMG Corporate Finance (Nominated adviser)** **+44 (0)20 7311 1000**
Susan Walker

**BMO Capital Markets Limited (Broker)** **+44 (0)20 7664 8120**
Bill Smith

**Hogarth Partnership** **+44 (0)20 7357 9477**

Julian Walker, Simon Hockridge

**GLOSSARY:**

"**2D seismic**" data acquired in a grid of lines that is relatively broad spaced and is processed in two dimensions

"**3D seismic**" data acquired in a grid that is relatively close-spaced and dense and is processed in three dimensions

"**Albian**" geological stage between 112 and 99.6 million years ago. Albian is present in lower Cretaceous (USGS geological time scale)

"**Aptian**" geological stage between 125 and 112 million years ago. Albian is present in lower Cretaceous (USGS geological time scale)

"**basin modelling**" term broadly applied to a group of geological disciplines that can be used to analyze quantitatively the formation and evolution of sedimentary basins, often but not exclusively to aid evaluation of potential hydrocarbon reserves

**Campanian** geological stage between 84 and 71 million years ago. Campanian is present in upper Cretaceous (USGS geological time scale)

"**Cretaceous**" geological period between 145.5 and 65.5 million years ago. It is present in Mesozoic (USGS geological time scale)

"**Lead**" a project associated with a potential hydrocarbon accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a Prospect

**"Monte Carlo Simulation"** Monte Carlo methods are a class of computational algorithms that rely on repeated random sampling to compute their results. Monte Carlo methods are often used when simulating physical and mathematical systems

**"P50"** 50 per cent probability that volumes will be equal to or greater than stated volumes

"**Probabilistic**" method of estimating an uncertain outcome whereby a range of values is used for each parameter in a calculation

"**PSDM**" pre-stack depth migration – Advanced Processing method that converts usual seismic data into depth migrated seismic data, providing better imaging of the subsurface features

"**Santonian**" geological stage between 85.8 and 83.5 million years ago. It is present in Upper Cretaceous (USGS geological time scale)

"**USGS**" US Geological Survey

**QUALIFIED PERSON**

Marcio Rocha Mello is one of the owners of High Resolution Technology & Petroleum Ltda. He attended Brasília University, in Brasília, Brazil and graduated with a Bachelor of Science Degree in Geology in 1976; and in 1989, graduated from Bristol University, Bristol, UK, with a Ph.D. in Petroleum Geochemistry. He is a Registered Professional Geologist in Brazil and has in excess of thirty-two years experience in conducting evaluation and engineering studies related to international oil & gas fields. He has compiled, read and approved the technical disclosure as it relates to Chariot in this announcement.

Resources estimates are reported in accordance with the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

**NOTES TO EDITORS**

**Chariot Oil & Gas Limited (www.chariotoilandgas.com)**

Chariot is an independent oil and gas exploration group, focusing on Namibia (offshore and onshore) and Peru (onshore) using state of the art technology for offshore and onshore exploration, through its 100% wholly-owned operating subsidiary Enigma.

The Group currently holds licences covering ten blocks in Namibia - eight of which are offshore and two are onshore - and three onshore blocks in the Marañon and Huallaga basins in northern Peru. All of these blocks are currently in the exploration phase.

In order to progress such exploration, the Group has engaged the services of a global petroleum system specialist, High Resolution Technology & Petroleum Ltda ("HRT") as the Group's independent technical consultant. HRT has extensive experience of the application of deep water technologies in the discovery of new oil and gas fields from its prior work on the South Atlantic margins (primarily in Brazil but also in western Africa). HRT has developed specialist technologies which have previously led to large discoveries offshore Brazil and these are being applied to the Group's blocks.

Shares in Chariot Oil & Gas limited were admitted to the London Stock Exchange (AIM) on 19 May 2008, under the symbol 'CHAR'.

**Other**

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