



27th February 2009

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

Trading Update – Continuing Progress

Chariot Oil & Gas Limited, an independent oil and gas exploration group with interests in Namibia and Peru, today gives the following update on trading ahead of its full year results for the year ended 28 February 2009.

Over the past months, Chariot has undertaken 2D and 3D seismic acquisition across its licence areas offshore Namibia. The final 3D programme conducted in the Northern blocks was completed on the 15 February 2009 and processing and interpretation work of this data is underway. As a result of adverse weather conditions Chariot acquired less seismic in the northern blocks than originally anticipated. Despite this, 3,000 km of 2D in blocks 2312 A & B and N/2 2412 A & B, 1,500km² of 3D in blocks 2714 A & B and 900km² of 3D in blocks 1811 A & B were acquired to target key areas of interest. These programmes were achieved within the original allocated budget. The processing and acquisition of the 3D seismic data is a prerequisite for the ranking of prospects and selection of possible drilling locations.

As previously announced, Chariot opened a dataroom for potential farm-out interests for the offshore Namibian licences in October which closed at the end of January. Following a review of the available data a number of major oil companies have expressed interest in the licence areas, subject to review of the recently acquired 3D seismic.

In addition, Chariot is pleased to announce that its wholly owned subsidiary Enigma Oil & Gas Exploration (Pty) Ltd. has received a non-binding offer from a major international oil company in respect of one of its offshore Namibian licences. Negotiations are currently underway in order to conclude a legal farm-out agreement. An update will be provided on this as soon as possible. Any such farm-out would be subject, inter alia, to the approval of the Namibian Ministry of Mines and Energy.

Following the announcement regarding securing licences onshore Peru in partnership with Jindal Steel and Power Limited, the terms of the licence have been agreed and Chariot awaits notice of the official signing ceremony which is to take place in Lima, Peru. The date for this is yet to be confirmed.

One of Chariot's key strategic objectives is to acquire production cashflow in order to balance the portfolio. Chariot is currently examining a number of producing and near-producing opportunities in this regard.

At the time of the interim report, it was noted that measures would be taken in the second half of the year to mitigate the impact of adverse foreign exchange movements. Since 31 August 2008 the US dollar/sterling exchange rate continued to deteriorate. However, the Company fixed its exchange rate in respect of its seismic programme at rates prevailing prior to the major decline in the US dollar/sterling exchange rate, so reducing the foreign exchange effect on its working capital. Further details of the foreign exchange movements will be disclosed in the preliminary statement of annual results.

Kevin Broger, CEO commented, "We have continued to expand and enhance our understanding of our offshore Namibia licences. We have had positive feedback from the major oil companies who reviewed our data and see their continued interest as indicative of the asset potential. Further work is underway and we will report on this in more detail in due course. We are also very pleased to have received an official offer with regard to a farm-out and look forward to updating the market on this soon."

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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.

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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