



**3 August 2009**

**Chariot Oil & Gas Limited  
(‘Chariot’, the ‘Company’ or the ‘Group’)  
Statement re. Arbitration**

On 12th June 2009, Chariot, an independent oil and gas exploration group, announced that its wholly owned subsidiary Enigma Oil & Gas Exploration (Pty) Limited (“Enigma”) had terminated its services agreement with High Resolution Technology & Petroleum Ltda (“HRT”). The contract was legally terminated due to numerous breaches of that agreement - including the failure by HRT to supply certain data which it was required to provide - which were brought to the attention of HRT but which they failed to rectify.

In further breach of the services agreement, HRT has also failed to allow Enigma proper access to HRT's books of account to audit the amounts which have been charged by HRT under the services agreement and which Enigma has disputed on various grounds.

Despite considerable effort by Enigma to resolve the dispute with HRT, HRT has repeatedly failed to co-operate or to comply with its obligations under the services agreement.

Instead, on 31 July 2009, HRT commenced ICC arbitration proceedings against Enigma in London and is claiming damages including approximately US\$11 million from Enigma for termination of the services agreement and for unpaid invoices. Enigma will vigorously defend HRT's claim on the grounds that HRT has not properly performed its obligations under the services agreement and will be bringing substantial counterclaims against HRT on account of their various breaches. Enigma welcomes the opportunity to present its case to arbitration in order to bring these matters to an end and has instructed Allen & Overy LLP to act on its behalf.

Chariot has provided \$2.9m in its accounts at 28 February 2009 for the work which HRT claimed to have completed at that time, and has no requirement to seek additional funding at this time.

Exploration work continues across all of Chariot's licences offshore Namibia. The seismic acquisition programme in block 2714A is progressing well and the processing of the 2D and 3D data acquired in the Central and Northern blocks is on schedule. Chariot remains focused on developing the potential of its blocks and fully committed to moving the business forward.

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**NOTES TO EDITORS**

**About Chariot**

Chariot Oil & Gas Limited ([www.chariotoilandgas.com](http://www.chariotoilandgas.com)) is an independent oil and gas exploration group. The Group currently holds licences covering ten Blocks in Namibia, eight of which are offshore and two of which are onshore. 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'.

**Other**

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