



19 February 2013

Chariot Oil & Gas Limited

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

Operational Update

Chariot Oil & Gas Limited (AIM: CHAR), the Africa focused oil and gas exploration company, today provides an operational update across its portfolio and a revised forward-looking work programme.

Over the last year the Company has drilled two exploration wells and acquired 3,500km² of 3D seismic data in Namibia; acquired an exploration licence and 3,500km² of 3D seismic data in Mauritania; and secured three additional exploration licences in Morocco. The net acreage base has almost doubled to approximately 46,000 km² over this period. Given this activity and growth, the Company has undertaken a review of its portfolio, matured the description of the prospect inventory and re-cast the forward exploration programme. In summary:

- The partnering process in the Namibian Northern Area has been initiated with the aim of drilling with a partner in 2014. The Zamba prospect is the priority target and has gross mean unrisks prospective resources estimated at 375 million barrels ("mmbbls").
- The Namibian Central Area partnering process will be initiated in 3Q 2013 with the aim of drilling with a partner in 2014. The two principal prospects have gross mean unrisks prospective resources estimated at 1.1 billion barrels ("Bbbls") and 570mmbbls.
- The Company has identified a new play in the Namibian Southern Area following the drilling of the Kabeljou-1 well. Maturing this play will require additional 3D seismic data, and an acquisition programme is being planned for 2014.
- Drilling in Mauritania is targeted for 2015 and drilling in Morocco is forecast for 2016. The Mauritanian play may have leads with resource ranges similar to the analogous Banda field with reported resources of c.300mboe – a resource update is planned for 1Q 2014 further to interpretation of 3D data. A mapped lead in Morocco has a gross mean prospective resource estimated at 400mmbbls. Both areas have the potential for multiple targets.
- The Company's cash position as at 31 December 2012 was US\$68.3million (unaudited) and all contractual licence commitments are fully funded through 2014.

Namibia:

Northern Area

Analysis of the well data from Tapir South-1 has been completed. As reported on 14 May 2012, no commercial hydrocarbons were discovered and the well was plugged and abandoned. However, the proprietary information gained from this well has been beneficial, improving the Company's understanding of the hydrocarbon potential of the area so that, whilst some prospectivity has been eliminated, the risk on other prospects has been reduced.

In particular, the Zamba prospect is now a priority target whilst the Tapir trend has been removed from the prospect inventory. Zamba is interpreted to be a carbonate target overlain by salt and which is on trend with recent Angolan discoveries. Following a re-evaluation, the main part of the Zamba prospect now stands at a gross mean unrisks potential resource estimate of 375mmbbls. The partnering process has been initiated and updates on this will be provided as appropriate. Should this process be successful, the Company plans to drill this prospect in 2014.

Central Area

In the Central Area, the newly acquired 3,500km² of 3D seismic data has been interpreted and a total of 19 targets have been identified which fall into 13 prospect areas. These new targets consist of multiple reservoir types – deep water canyon heads (analogous to those found offshore Ghana), channel and fan systems and shallow water reefs, shelf-edge carbonates and clastics. These reservoirs occur in two petroleum systems, one with potential hydrocarbon charge from deeper synrift source rocks and the other from shallower deep marine source rocks.

From these targets, 11 prospects are of interest and have gross mean unrisksed potential resource estimates ranging from 160mmbbls to 1.1Bbbls. The principal prospect in each of the petroleum systems are Prospect 1 and Prospect B and have gross mean unrisksed prospective resources estimated at 1.1Bbbls and 570mmbbls respectively.

More leads exist outside of this 3D survey, however management is focusing on the two nearer term drillable prospects. Upcoming third party drilling in the area will further improve the understanding of the basin, enabling the Company to optimise prospect selection for subsequent drilling. In order to enable the Company to capture the value of this third party drilling, Chariot will initiate the partnering process of the Central Area in 3Q 2013, with the aim of commencing drilling in 2014.

Southern Area

Final evaluation of the Kabeljou-1 well by the Operator of the block is still underway and an update to the prospect inventory in 2714A is pending following these results, which are expected at the end of March 2013. These well evaluation results will inform the forward plan in the block which will be agreed with the partners at this time.

Chariot's in-house work on the well data has demonstrated the potential for a new play system in 2714B. Preparation is underway to capture the value associated with this new play which will require additional 3D seismic data and an acquisition programme is planned for 2014. The completion of the well evaluation along with the outcome of expected third party drilling this year in adjacent acreage will have a major impact on prospectivity assessment.

Mauritania:

Mauritania is a proven oil producing region with multiple discoveries made to date, further field developments planned, and several wells scheduled for drilling by other industry players this year. Since acquiring its acreage in June 2012, Chariot has completed a 3500km² 3D seismic survey which targeted deep water canyon head, channel and fan systems that had been identified on the legacy 2D seismic data and which are analogous to nearby discoveries (such as the Banda field with reported resources of c.300mboe). Processing of the 3D data is currently underway, and the data is expected to be ready for interpretation in November 2013, with a resource update planned for 1Q 2014.

Chariot has already received industry interest in its Mauritanian acreage and a process to identify a partner for drilling will be initiated once interpretation is complete. Should this be successful, it is anticipated that drilling will commence in 2015.

Morocco:

Chariot's offshore Moroccan licences are located near to historic onshore oil production, current onshore gas production and oil and gas condensate discoveries in both the offshore and onshore. Oil slicks, seeps and seismic direct hydrocarbon indicators (DHIs) within Chariot's licences support the presence of a hydrocarbon system. The northern margin of Morocco is thought to be analogous to the conjugate Nova Scotia basins where significant discoveries have been made in the same play systems targeted by the Company.

A large carbonate bank lead has been identified on the legacy 2D seismic data in the Rabat Deep licence which has a gross mean unrisksed prospective resource estimate of 400mmbbls. Seismic data in the adjacent basinal areas in the block displays salt structures and exhibits seismic facies indicative of deep water marine sands. A 3D seismic programme will be designed in 3Q 2013, post the results of the Company's interpretation of the re-processed 7,000km of legacy 2D data, which is currently underway. The

proprietary seismic survey is planned for 1Q 2014, with the well partnering process to be carried out in 2015 and potential drilling to take place in 2016.

Cash Position

As at 31 December 2012 the Company's cash balance was US\$68.3 million (unaudited) compared to US\$112.4 million as at 30 June 2012. This cash utilisation was comprised of US\$36.5 million of expenditure incurred on Namibian drilling and seismic activities, US\$2.4 million on Mauritanian and Moroccan G&G and G&A and US\$5.2 million on other G&G and G&A costs. In 2013 the Company expects to pay c.US\$25 million for the acquisition, processing and interpretation of the 3500km² 3D seismic survey carried out in Mauritania, with plans for a further US\$15 million planned for other G&G and G&A costs. All contractual licence commitments are fully funded through to the end of 2014.

Chariot has a track record of securing industry finance and will continue to seek partners for its assets in order to distribute risk and provide additional funding for the further exploration and development of its portfolio.

Larry Bottomley, CEO, commented:

"Chariot's goal is to create transformational stakeholder value through the discovery of material accumulations of hydrocarbons. The Company's strategy to achieve this goal remains the same: Chariot will continue to explore in new or emerging hydrocarbon provinces, take large equity positions in the early phases of exploration and manage risk through levered partnering, portfolio diversity and the application of technology. The Company is committed to applying capital discipline throughout all of its projects.

In acquiring our licences in Mauritania and Morocco last year, we demonstrated our ability to secure early access to further quality acreage in areas that are receiving increasing interest from the oil and gas industry. We will continue to pursue New Venture activities as this is an important ongoing value creation catalyst for our business.

Whilst this operational review has led to a revised timetable on our prospective drilling, this approach will help to further de-risk the drilling targets we ultimately select. We believe all our assets have the potential for giant discoveries, we have a focused strategy and we are committed to realising the value in the portfolio."

Chariot will be holding a presentation to research analysts today and a webcast of the Company's updated investor presentation will be available on the website – www.chariotoilandgas.com - from 10am this morning.

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. The Group currently holds licences covering eight blocks in Namibia, through its wholly owned subsidiary Enigma Oil & Gas Exploration (Pty) Limited, one block in Mauritania through its wholly owned subsidiary Chariot Oil & Gas Investments (Mauritania) Ltd., and three blocks in Morocco through its wholly owned subsidiary Chariot Oil & Gas Investments (Morocco) Ltd. all of which are offshore. 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'.

The contents of the Company's website are not incorporated into, nor do they form part of, this announcement.