



08 August 2013

Chariot Oil & Gas Limited

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

Farm-out agreement signed with Cairn Energy PLC ("Cairn") in Block C19 offshore Mauritania

Highlights:

- Cairn, through its subsidiary Capricorn Mauritania Limited, to acquire 35% interest in Block C19 offshore Mauritania
- Cairn to pay approximately US\$26 million for the costs of the 3D seismic data acquired by Chariot on the block and other back costs
- Chariot to retain operatorship with 55% equity and SMH with 10%
- Funds to be used to further develop the Chariot portfolio
- Partnering process for drilling based on 3D data interpretation to take place 1Q 2014

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, is pleased to announce that its wholly-owned subsidiary, Chariot Oil & Gas Investments (Mauritania) Ltd., has signed a farm-out agreement with Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy PLC. Following completion of this agreement, Cairn will hold a 35% equity interest in Chariot's C19 licence offshore Mauritania in return for paying approximately US\$26million for the costs of the 3D seismic data acquired by Chariot on the block and other back costs. Chariot will have a 55% stake and operatorship of the licence, with the Société Mauritanienne des Hydrocarbures (SMH) holding the remaining 10% as a carried interest. If, before the end of the first phase of the licence (15 June 2015), Cairn were to increase its interest to greater than 50%, Chariot would support its application for operatorship of the block.

This agreement remains subject to the approval of the Ministry of Hydrocarbons in Mauritania and includes standard representations and warranties given by both parties.

Block C19 covers an area of 12,175km² and is located 30km off the coast of Mauritania with water depths ranging from 5m-2,100m. To date, Chariot has exceeded its work commitments on the licence with the acquisition of a 3,500km² 3D seismic programme. Fast track data was received in mid-March and final Pre-Stack Depth Migration (PSDM) volumes are due to be received in November this year. This data will be fully interpreted and analysed with the objective of identifying a drillable prospect in 1Q 2014 and, subject to the results of this, drilling planning and the evaluation of partnering options will commence thereafter.

Larry Bottomley, CEO commented:

"We are pleased to have agreed a partnership on C19 in Mauritania with Cairn, whose focus on exploration-led growth is aligned with Chariot's objective of creating transformational value for stakeholders through the discovery of material accumulations of hydrocarbons.

"This agreement also demonstrates Chariot's ability to implement our strategy of identifying and accessing large equity positions in underexplored hydrocarbon provinces, adding value in the early stages of exploration and securing farm-out partners to validate our assets, diversify risk and provide funding to further develop our portfolio. Furthermore, this partnership will enable us to continue to expedite our exploration efforts offshore Mauritania, where we see significant prospectivity and we look forward to maturing our prospect selection for drilling."

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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 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. The Group's wholly owned subsidiary, Chariot Brasil Petróleo e Ltda Gás, has recently been awarded four licences in the shallow water 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'.