



08 August 2011

Chariot Oil & Gas Limited
(‘Chariot’, ‘the Company’ or ‘the Group’)

Farm-out Agreement Signed with BP in Block 2714A

Highlights:

- **BP to farm into 50% of Chariot’s equity in Block 2714A (Licence 20)**
- **Commits to carry Chariot’s portion of first well and past costs incurred**
- **Further endorsement of prospectivity of the acreage**
- **Funds received and retained by Chariot will be used for future appraisal activities**

Chariot Oil & Gas Limited (AIM: CHAR) is pleased to announce that its wholly-owned subsidiary, Enigma Oil & Gas Exploration (Pty) Limited (“Enigma”), has entered into a farm-out agreement with BP Plc (“BP”), one of the world’s largest integrated energy companies, whereby BP will acquire a 50% share of Chariot’s equity interest in Southern Block 2714A (Licence 20). As announced on 28 June 2011, Petrobras has elected to take up operatorship and retains a 50% stake in the block.

Under the terms of the agreement, BP has committed to cover Chariot’s cost of drilling the first exploration well, as well as past costs incurred.

Block 2714A is located in the Orange Basin offshore Namibia and covers an area of 5,481km². The Nimrod prospect is situated within this licence and is the largest of Chariot’s prospects. With this farm-out, Chariot will continue to pursue its drilling campaign within this licence area whilst sharing in the costs, risks and rewards of exploration. Funds received and retained through this deal will be used in further exploration and appraisal work.

This agreement remains subject to the full approval of the Ministry of Mines and Energy in Namibia. It includes standard representations and warranties given by both parties and other conditions precedent.

Paul Welch, Chief Executive of Chariot, said:

‘We are delighted to enter into this farm-out agreement with BP whose global expertise of deep water exploration and related petroleum systems is exceptional and whose contribution to our campaign going forward will be invaluable. It is a pleasure to welcome another major oil company as a partner.

‘It has been a key strategic objective for us to farm down our assets in order to facilitate exploration drilling, retain capital and mitigate risk; we are very pleased to have made progress towards this. We look forward to proving up the potential of our assets alongside our partners, as we seek to deliver long-term value to our shareholders.’

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited (www.chariotoilandgas.com) is an independent oil and gas exploration group. The Group currently holds licences covering eight blocks in Namibia, all of which are offshore. 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'.