



**28 February 2011**

**Chariot Oil & Gas Limited**

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

**Pre-close Update**

Chariot Oil & Gas Limited (AIM: CHAR), the Africa focused oil and gas exploration company, today gives the following update ahead of its full year results for the year ended 28 February 2011.

The Company has continued to make considerable progress on its assets offshore Namibia, announcing an increase of 3.1 billion barrels of gross mean prospective resources following the defining of the Nimrod prospect in block 2714A on 13 January 2011, and a further 700 million gross barrels of additional potential in the Tapir area of the Northern blocks, as announced on 25 February 2011. These recent resource upgrades and subsequent de-risking have resulted from the extensive technical work undertaken by Chariot's in-house team. Chariot's gross mean unrisks prospective resources now stand at 13.9 billion bbls (10.4 billion bbls net to Chariot).

The announcement of the Nimrod prospect generated significant additional interest in Chariot's dataroom, resulting in new parties and repeat visits booked after the anticipated close date of 15 December 2010 and as a result, the dataroom is still open. Attendees at present are now supporting staff (legal, accounting) following on from the technical visits, completing the required due diligence in advance of submitting any potential offers. Discussions are on-going with multiple potential partners and Chariot continues to be very encouraged by the high level of interest and active due diligence that has been undertaken by a large number of internationally recognised major oil companies.

This work and the whole farm-out process has endorsed management's view of the assets and, whilst this has lengthened the farm-out process, the resulting value added to Chariot's portfolio has been significant. However, even with the increased level of interest it is still Chariot's intention to announce a farm-out agreement in Q1 of 2011 with the potential for subsequent agreements to follow. Further updates on progress with regard to any potential farm-out activity will be announced in due course.

Chariot's in house technical team has also grown over the past months with Ian Thomas joining as Senior Staff Geophysicist, Anthony Jervis as Senior Geoscientist and Nathan Moore as Technical Assistant. Work continues across all licence areas offshore Namibia, concurrent with pursuing the evaluation of new venture opportunities.

Chariot expects to announce its full year results on or around 31 May 2011.

Paul Welch commented, *"Chariot has had another period of strong progress since our Interims with significant developments within our asset base serving to further underpin our value and investment case. We were very pleased to welcome additional staff over the past few months and we feel that Chariot continues to go from strength to strength. I look forward to reporting on further progress in the near future."*

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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 (Pty) Limited, 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'.

*Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.*