



31 October 2011

**Chariot Oil & Gas Limited**

(‘Chariot’, ‘the Company’ or ‘the Group’)

**Technical Update**

**Improved Chance of Success and Increase in Gross Mean Unrisked Prospective Resources**

Chariot Oil & Gas Limited (AIM:CHAR), the Africa focused oil and gas exploration company is pleased to announce that, as a result of further geological and seismic work on the Tapir trend in Northern Blocks 1811 A & B, it has increased the chance of success of the Tapir South prospect from 19% to 25%. The improvement is primarily due to the recognition of multiple four way dip closures that contain deep marine channel sandstone geometries which are adjacent to a well defined oil charge kitchen. As a result the Tapir South prospect is now the preferred first drilling target with the greatest chance of success and well planning is at an advanced stage.

Additionally, in the Central Blocks, reprocessing and reinterpretation of the full 3,000km of existing 2D seismic data, previously acquired by Chariot, has identified 11 new leads attributing an aggregate mean unrisked resource potential of 3.9 billion barrels (“Bbbls”). These leads lie in the northeast section of the acreage and occur in several different target intervals within both structural and stratigraphic traps. These include analogues to the “Nimrod” feature identified in the Southern blocks. Recently completed studies indicate that two source rock levels are mature for oil generation in this northeast area and as a result this section of the block offers the greatest chance for delivering multiple drillable prospects. Consequently, the 3D survey has been increased in size to 3500km<sup>2</sup> to cover the 11 leads identified and is due to commence at the beginning of November. It should be noted that the leads previously identified remain attractive exploration targets that will be a priority for future exploration activity.

As a result of this recent technical work Chariot’s gross mean unrisked prospective resources have increased from 16.1 Bbbls to 20.0 Bbbls (with net increase to Chariot from 8.9 Bbbls to 12.5 Bbbls).

Paul Welch, Chief Executive of Chariot, said:

*“We are pleased that this further geological and geophysical work has led to a de-risking of the Tapir region enabling us to move the drilling campaign forward with increased confidence. Additionally, the increase in prospective resources not only affirms further potential within our Central Blocks but also provides the Company with a broader array of targets to focus on in the future.”*

Region	Status	Probabilistic Volume Method (Monte Carlo Simulation)	Gross attributable to Licence in MMbbl				Net attributable to Group MMbbl				Risk Factor <sup>(2)</sup> (%)	Working Interest (%)	Operator
			Low Estimate	Best Estimate	High Estimate	Mean	Low Estimate	Best Estimate	High Estimate	Mean			
			P90	P50	P10		P90	P50	P10				
North	Prospect	Tapir North	298	708	1,552	836	298	708	1,552	836	21%	100%	Enigma
North	Prospect	Tapir	188	241	303	244	188	241	303	244	21%	100%	Enigma
North	Prospect	Tapir South	451	592	774	604	451	592	774	604	25%	100%	Enigma

North	Prospect	Zamba North	23	31	42	32	23	31	42	32	12%	100%	Enigma
North	Lead	Tapir Northeast	61	76	93	77	61	76	93	77	14%	100%	Enigma
North	Lead	Zamba	633	932	1,381	977	633	932	1,381	977	15%	100%	Enigma
		<b>Total Northern Block Oil<sup>(1)</sup></b>	<b>1,654</b>	<b>2,580</b>	<b>4,145</b>	<b>2,770</b>	<b>1,654</b>	<b>2,580</b>	<b>4,145</b>	<b>2,770</b>		<b>100%</b>	
South	Prospect	A	149	270	456	289	37	68	114	72	10%	25%	PB
South	Prospect	B	146	246	394	260	37	62	99	65	18%	25%	PB
South	Prospect	C	423	742	1,243	797	106	186	311	199	9%	25%	PB
South	Prospect	D	47	83	137	88	12	21	34	22	10%	25%	PB
South	Prospect	Dora North	186	561	1,315	664	47	140	329	166	13%	25%	PB
South	Prospect	Dora South	174	604	1,493	741	44	151	373	185	13%	25%	PB
South	Prospect	Isabel	58	139	286	159	15	35	72	40	14%	25%	PB
South	Prospect	K	248	518	979	571	62	130	245	143	10%	25%	PB
South	Prospect	L	120	205	328	217	30	51	82	54	10%	25%	PB
South	Prospect	Mary	100	265	572	307	25	66	143	77	15%	25%	PB
South	Prospect	Nimrod	2,524	4,361	7,938	4,869	631	1,090	1,985	1,217	24%	25%	PB
		<b>Total Southern Block Oil<sup>(1)</sup></b>	<b>4,176</b>	<b>7,994</b>	<b>15,141</b>	<b>8,962</b>	<b>1,044</b>	<b>1,999</b>	<b>3,785</b>	<b>2,241</b>		<b>25%</b>	
Central	Lead <sup>3</sup>	Springbok	58	107	189	117	53	96	170	105	12%	90%	Enigma
Central	Lead <sup>3</sup>	Springbok East	58	106	186	116	52	95	167	104	12%	90%	Enigma
Central	Lead <sup>3</sup>	Eta	68	124	219	136	61	112	197	122	10%	90%	Enigma
Central	Lead <sup>3</sup>	Springbok North	74	132	229	144	66	119	206	130	10%	90%	Enigma
Central	Lead <sup>3</sup>	Delta 1	438	790	1,368	858	394	711	1,231	772	11%	90%	Enigma
Central	Lead <sup>3</sup>	Delta 2	131	237	411	257	118	213	370	231	11%	90%	Enigma
Central	Lead <sup>3</sup>	Delta 3	107	193	335	210	96	174	302	189	11%	90%	Enigma
Central	Lead <sup>3</sup>	Reef 1	161	285	478	305	145	257	430	275	9%	90%	Enigma
Central	Lead <sup>3</sup>	Reef 2	225	398	670	427	203	358	603	384	9%	90%	Enigma
Central	Lead <sup>3</sup>	Lead A	402	729	1,262	791	362	656	1,136	712	8%	90%	Enigma
Central	Lead <sup>3</sup>	Lead B	312	562	974	611	281	506	877	550	8%	90%	Enigma
Central	Lead	Hartebeest	502	1,489	3,287	1,720	452	1,340	2,958	1,548	7%	90%	Enigma
Central	Lead	Klipspringer	587	1,772	3,916	2,055	528	1,595	3,524	1,850	7%	90%	Enigma
Central	Lead	Oryx	157	467	1,025	543	141	420	923	489	6%	90%	Enigma
		<b>Total Central Block Oil<sup>(1)</sup></b>	<b>3,280</b>	<b>7,391</b>	<b>14,549</b>	<b>8,290</b>	<b>2,952</b>	<b>6,652</b>	<b>13,094</b>	<b>7,461</b>		<b>90%</b>	
		<b>Total Northern, Central and Southern<sup>(1)</sup></b>	<b>9,109</b>	<b>17,965</b>	<b>33,835</b>	<b>20,021</b>	<b>5,649</b>	<b>11,231</b>	<b>21,024</b>	<b>12,471</b>			

*This table of unrisks prospective resources is as determined by Netherland, Sewell & Associates, Inc. dated 30th June 2011 together with updated volumes and risk factors for the 1811 prospects and 2312a and 2312b leads as determined by Chariot.*

- (1) Total resource numbers are arithmetically summed in accordance with SPE 2007 PRMS guidelines; therefore, these totals do not include the portfolio effect that might result from statistical aggregation. Sums may not add because of rounding.
- (2) Many of the prospects and leads in the Northern and Southern blocks have multiple horizons with independent chances of success. The stated risk factors; however, are consistent with the given volumes.
- (3) Leads identified from reprocessed 2D seismic data in area of proposed 3D seismic survey

## QUALIFIED PERSON

Martin Richards, Chariot's Development Engineering Manager, is the qualified person for the purpose of this release. Martin has worked in the oil and gas industry for over 30 years and has an in-depth experience of all aspects of subsurface management, reservoir engineering and petroleum economics. He has an MA in Physics from Oxford University, an MSc in Geophysics and Planetary Physics from Newcastle University and an MEng in Petroleum Engineering from Heriot-Watt University. He is a member of the Society of Petroleum Evaluation Engineers. He has read and approved the technical disclosures in this announcement.

For further information please contact:

**Chariot Oil & Gas Limited**

Paul Welch, CEO

**+44 (0)20 7318 0450**

**RBC Capital Markets (Joint Broker and NOMAD)**

Josh Critchley, Martin Eales

**+44 (0)20 7653 4000**

**UBS Investment Bank (Joint Broker)**

Philip Wolfe, Neil Patel

**+44 (0)20 7568 1000**

**FTI Consulting**

Ben Brewerton, Edward Westropp

**+44 (0)20 7831 3113**

## 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 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'.