



08 August 2011

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

**Central Blocks Farm-out Agreement Completed**

**Highlights:**

- **Petroleum Geo Services ASA (“PGS”) to acquire 10% interest in Central Blocks (Licence 19, covering Blocks 2312 A & B and Northern halves of 2412 A & B) offshore Namibia**
- **PGS agree to fund 50% of the 2,500km<sup>2</sup> 3D seismic programme**
- **Chariot will retain a 90% equity ownership of the licence following completion of the farm-out**
- **Farm-out releases funds earmarked for 3D seismic acquisition in the Central Blocks for other exploration and appraisal activities**

Chariot Oil & Gas Limited (AIM: CHAR) is pleased to announce that its wholly-owned subsidiary, Enigma Oil & Gas Exploration (Pty) Limited has signed a farm-out agreement with PGS, one of the world’s leading seismic companies, whereby PGS will acquire a 10% interest in Chariot’s Central Blocks (Licence 19, covering Blocks 2312 A & B and Northern halves of 2412 A & B), offshore Namibia by funding 50% of the planned 3D "GeoStreamer" seismic programme. Chariot will retain a 90% equity ownership of the licence following completion of the farm-out. This is an ideal farm-out at this stage in the exploration process in that the Company has reduced a significant proportion of risked expenditure whilst retaining maximum equity in the block.

The Central Blocks are located within the Luderitz and Walvis Basins and cover an area of 16,801km<sup>2</sup>. Chariot and PGS have agreed a 3D seismic programme across areas of specific interest within these blocks that were identified by the previously acquired 2D seismic data. The survey will be located in the portions of the licence where leads Klipspringer, Hartebeest and Oryx have been identified. The survey will cover a minimum area of 2,500km<sup>2</sup> at a gross cost of US\$25m, is expected to take approximately 75 days to complete and will commence in Q4 2011. The processing and interpretation of this information is expected to take an additional six months with results available in Q2 2012. The Central blocks are the least mature of Chariot’s portfolio and 3D seismic data is required to mature the currently identified leads to drillable prospects.

In line with Chariot’s previous work programmes, this 3D seismic acquisition will exceed the minimum work requirements of the terms of the First Renewal Phase as announced on 28 June 2011. It is this track record of aggressive exploration investment which enabled Chariot to retain 100% of the acreage in these blocks upon renewal.

In April 2011, the Company completed a US\$140 million fund raising (net of expenses) to enable it to participate in the drilling of a minimum of two wells and conduct a 5,000km<sup>2</sup> 3D seismic programme across areas of specific interest in the Central Blocks. This farm-out agreement with PGS releases a substantial portion of those funds. The released funds will be used for further exploration and appraisal work across Chariot’s Namibian portfolio or potentially to secure new opportunities.

**Paul Welch, Chief Executive of Chariot, said:**

*“We are very pleased to have completed this farm-out with PGS. Although the Central blocks are the least mature in our portfolio, this commitment and expenditure by PGS further demonstrates the growing industry interest in offshore Namibia where Chariot has an enviable acreage position. The farm-out agreement enables us to accelerate the seismic programme on the Central blocks and frees up funds for use within our other assets.”*

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## **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'.