



7 March 2011

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**Chariot Oil & Gas Limited**

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

**Proposed Placing of Ordinary Shares and Notice of General Meeting**

Chariot Oil & Gas Limited (AIM: CHAR), the Africa focused oil and gas exploration company, is pleased to announce that it has conditionally placed 35,958,376 New Ordinary Shares (the "Placing Shares") at a price of 250 pence per share (the "Placing") to raise gross proceeds of £90 million (approximately US\$146 million).

**Placing Highlights:**

- Following extensive analysis, management believes that significantly more value will be retained through an equity issue combined with selective farm-outs, than focusing solely on the farm-out process
- Whilst Chariot still intends to enter into multiple farm-out agreements, and this process is running concurrently, the Placing provides Chariot with much greater optionality and leverage going forward
- The Company continues to anticipate announcement of another farm out agreement by the end of Q1 2011
- Multi-disciplinary technical work undertaken across the Chariot licences has led to a substantial increase in gross mean unrisked prospective resources from 3.9 billion barrels ("bbls") reported on listing to 13.9 billion bbls as per latest update (10.4 billion bbls net to Chariot) - the Company now has a 'drill ready' inventory consisting of twelve prospects
- Net proceeds of the Placing, together with existing cash, will be used to further Chariot's work programme and the Company continues to intend to drill its first well in Q4 2011
  - The funds will enable Chariot to participate in a minimum of two wells and conduct a further 5,000km<sup>2</sup> 3D seismic programme across areas of specific interest in the Central Blocks

- Upon completion of the Placing, Chariot's net cash position will be approximately US\$150 million

Paul Welch, CEO of Chariot commented, "*Chariot is delighted to have carried out such a successful fundraising with strong support from both new and existing institutional shareholders. The positive reaction to our farm-out process from a large number of significant industry players has helped confirm for us the value of our existing asset base. This equity raise means that we have greater control on the next phase of our development, and our stated timeline. These funds will enable us to undertake key parts of our work programmes on more favourable terms, including the drilling of a first well in Q4 2011.*"

A circular containing a notice (the "GM Notice") of a General Meeting of the Company (the "GM"), convened for 1 April 2011, will today be sent to Shareholders of the Company outlining the terms of the Placing and seeking Shareholders approval to, *inter alia*, enable the Directors to allot the Placing shares in connection with the Placing. Further details of the GM and the resolutions proposed to be passed (the "Resolutions") are set out at the end of this announcement.

### **Analyst conference call and webcast**

An analyst conference call will be held at 9am (London, UK time) on 7 March 2011. Please contact Ben Romney or Chris McMahon of Buchanan Communications on 020 7466 5000 for the dial in details.

A recorded webcast of the investor presentation regarding the Placing, together with the Circular will be available on Chariot's website [www.chariotoilandgas.com](http://www.chariotoilandgas.com) from 9am.

For further information please contact:

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Bobby Morse, Ben Romney, Chris McMahon

### **Background to and Reasons for the Placing**

As announced in the Company's latest resource statements released on 13 January 2011 and 25 February 2011, the most recent round of technical work undertaken by the Company has improved and further de-risked management's understanding of the asset portfolio. The purpose of the Placing is to maximise the value held within Chariot's portfolio by financing and accelerating further exploration and development work on the Company's assets offshore Namibia whilst minimising the level of dilution of its interests in any blocks subject to the future entry into further farm-out agreements. This further work will include a drilling programme in the Northern and Southern licences, and additional 3D seismic on select leads in the Central

blocks. Following extensive analysis, it is management's view that significantly more value will be retained through an equity issue, combined with selective farm-outs, rather than focusing solely on the farm-out process and it is this consideration that has underpinned the Company's decision to raise funds through the Placing. Funds raised through the farm-out process from back cost recovery and exploration well carry will then be used for further drilling and appraisal activities.

### **Update on farm-out activity**

As announced in November 2010 and in the pre-close period trading update on 28 February 2011, a number of internationally recognised oil companies have visited the dataroom in London with a view to farming into one or more of the Company's blocks offshore Namibia. The Directors have been extremely encouraged by the high level of interest generated by the process and active due diligence undertaken by visitors has endorsed their view of the assets. Indicative offer discussions are ongoing and more are expected. This process will continue irrespective of the completion of the Placing as the Board will continue actively to consider proposals that best facilitate the progression of the Company's business and the development of its portfolio of assets. It is still the intention to enter into farm-out arrangements and the Board believes that the Placing will maximise optionality and leverage in these discussions.

### **Current Trading and Prospects**

The Company has a significant acreage position in Namibia with 30,504km<sup>2</sup> and an inventory of 12 mapped prospects (which are drill-ready) and 6 leads in three geologically distinct basins. On 13 January 2011 and 25 February 2011 the Company announced resource updates from the Southern block 2714A and Northern blocks 1811A & B which increased its gross mean unrisks prospective resource estimates, bringing the Company's total gross mean unrisks prospective resources to an estimated 13.9 billion bbls (10.4 billion bbls net to Chariot).

An increase of 3.1 billion bbls of gross prospective resource (1.58 billion bbls net to Chariot) potential arose from work performed on the Nimrod prospect located in Southern block 2714A. Further technical work which included remapping and seismic attribute analysis undertaken on the 3D seismic data acquired across this block, in which the Company has a 50% interest (Petrobras 50%), identified additional resources within a single "mega structure" and significantly increased the estimated chance of success on this primary prospect from 16% to 20%. The ~500km<sup>2</sup> structure displays seismic attributes, including Amplitude Versus Offset (AVO) anomalies that management considers to be indicative of hydrocarbons in a Lower Cretaceous sandstone reservoir.

On 25 February 2011, an additional 700 million barrels of gross mean unrisks prospective resource potential was announced in the Tapir area of the Northern blocks. This resulted from seismic data inversion and attribute analysis which led to identification of additional Late Cretaceous/Palaeogene fan systems exhibiting AVO anomalies consistent with hydrocarbon-filled sands. These overlie older Cretaceous structural closures and subsequently enhance the stacked target potential. This work also further de-risked the Tapir and Tapir N prospects with the chance of success increasing from 14% to 23%.

This technical work was undertaken subsequent to 10.1 billion bbls of gross mean unrisks prospective resources being identified from the inventory of 11 prospects and 6 leads which was verified by the independent assessment of Netherland Sewell & Associates Inc. on 28 October 2010 in its Competent Person's Report.

### **Ongoing strategy**

Chariot's key focus is on developing the potential of its Namibian assets. The Placing proceeds will enable the Company to continue to progress the aggressive exploration programmes across its blocks of interest

in order to further expand and de-risk its prospect and lead inventory and to drill, along with its partners, the technically mature targets.

In addition to the continued exploration and development of its existing blocks, the Company continues to actively consider other business development opportunities to balance the current exploration portfolio.

### Details of the Placing and use of proceeds

A total of 35,958,376 Placing Shares have been placed at a price of 250 pence per share, being a discount of 12.5 per cent. to the 5 day volume weighted average price ("VWAP") per share as at market close on 4 March 2011 (the last trading day prior to this announcement). The Placing Shares represent an increase of 19.9 per cent. in the Company's current issued share capital of 144,833,578 Ordinary Shares. The Placing is conditional, *inter alia*, the passing of the Resolutions at the GM to be held on 1 April 2011 and admission of the Placing Shares to trading on the AIM market of the London Stock Exchange plc ("AIM") ("Admission").

It is intended that the net proceeds of US\$140 million from the Placing will be used to further the Company's 2011-2012 exploration programme – in particular with respect to the stated objective of drilling the first well in Q4 2011 - and to perform additional seismic on leads of specific interest as follows:

<b>Area</b>	<b>Activity</b>	<b>Approximate Cost</b>
Northern Licence (Blocks 1811A&B; Chariot 100%)	Drill one well	US\$65 million
Southern Licences (Block 2714A & B; 2714A - Chariot 50%)	Drill one well	US\$25 million (50% of one well)
Central Licence (Blocks 2312A/B, 2412A/B (N/2) Chariot 100%)	5,000km <sup>2</sup> 3D Seismic	US\$50 million
<b>Total</b>		<b>US\$140 million</b>

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares at the date of their issue.

Assuming that the Resolutions are passed by Shareholders at the GM it is expected that Admission will take place and that trading in the Placing Shares will commence at 8.00 a.m. on Tuesday 5 April 2011.

Following Admission, Chariot will have 180,791,954 Ordinary Shares in issue, none of which are held in treasury.

RBC Capital Markets is acting as sole bookrunner and joint-broker and Ambrian Partners Limited is acting as joint-broker to the Company in connection with the Placing. The Placing is not underwritten.

### Terms and conditions of the Placing

The Placing was undertaken on the terms and conditions set out in the Appendix to this announcement and settlement details are included therein.

### **General Meeting**

The GM will be held at the registered offices of the Company, 3<sup>rd</sup> Floor, Sydney Vane House, Admiral Park, St Peter Port, Guernsey, GY1 3EL at 11.00 a.m. on 1 April 2011. At the GM, the following Resolutions will be proposed:

1. Resolution 1 is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £359,583 being equal to 35,958,376 Ordinary Shares; and
2. Resolution 2 is a special resolution to authorise the Directors to issue and allot the Placing Shares on a non pre-emptive basis; and

### **Undertakings**

Chariot has received irrevocable undertakings to vote in favour of the Resolutions from the Directors and certain other Shareholders who hold, in aggregate, 45,950,975 Ordinary Shares, representing 31.7 per cent. of the Existing Ordinary Shares.

### **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.

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'.

*The contents of the Company's website are not incorporated into, nor do they form part of, this announcement.*

#### **Notes:**

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of Chariot, including the right to receive all dividends and other distributions declared after the date of their issue.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange plc. It is expected that, subject to approvals of the Resolutions at the GM, Admission will become effective on or around 5 April 2011 and that dealings in the Placing Shares will commence at that time. As part of the Placing, the Company has agreed that it will not issue or sell ordinary shares for a period ending 90 days after Admission, without the prior consent of Royal Bank of Canada Europe Limited ("RBC") and Ambrian Partners Limited ("Ambrian"), save in limited circumstances set out under "Details of the Placing" below.

The Appendix to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of Chariot's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Chariot cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding Chariot's future financial position, income growth, impairment charges, business strategy, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditure, and plans, dividend growth and objectives for future operations of Chariot and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition - a number of which factors are beyond Chariot's control. As a result, Chariot's actual future results may differ materially from the plans, goals, and expectations set forth in Chariot's forward-looking statements. Any forward-looking statements made herein by or on behalf of Chariot speak only as of the date they are made. Except as required by the FSA, the London Stock Exchange or applicable law, Chariot expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in Chariot's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This announcement is for information only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This announcement has been issued by and is the sole responsibility of Chariot.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by RBC or Ambrian or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

RBC, which is authorised and regulated in the United Kingdom by the FSA, is acting for Chariot and for no-one else in connection with the Placing, and will not be responsible to anyone other than Chariot for providing the protections afforded to customers of RBC nor for providing advice to any other person in relation to the Placing or any other matter referred to herein.

Ambrian, which is authorised and regulated in the United Kingdom by the FSA, is acting for Chariot and for no-one else in connection with the Placing, and will not be responsible to anyone other than Chariot for providing the protections afforded to customers of Ambrian nor for providing advice to any other person in relation to the Placing or any other matter referred to herein.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by Chariot, RBC or Ambrian that would permit an offering of

such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by Chariot, RBC and Ambrian to inform themselves about, and to observe, such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE")); (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS AND PERSONS WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS IN (A) AND (B) TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN CHARIOT.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given ("Placees") will be deemed to have read and understood this announcement, including the Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in the Appendix. In particular each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and (ii) outside the United States and is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the United States Securities Act of 1933 (the "Securities Act")).

This announcement, including the Appendix, is not for distribution directly or indirectly in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Australia or Japan or any jurisdiction into which the same would be unlawful. This announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of Chariot in the United States, Canada, Australia or Japan or any jurisdiction in which such an offer or solicitation is unlawful. In particular, the Placing Shares referred to in this announcement have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. No public offering of securities of Chariot will be made in connection with the Placing in the United Kingdom, the United States or elsewhere.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have

not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or this announcement should seek appropriate advice before taking any action.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange. Neither the content of Chariot's website nor any website accessible by hyperlinks on Chariot's website is incorporated in, or forms part of, this announcement.

## **APPENDIX**

### **TERMS AND CONDITIONS - IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

#### **Details of the Placing**

RBC and Ambrian (together the "Brokers") have today entered into an agreement with Chariot (the "Placing Agreement") under which, subject to the conditions set out therein, the Brokers have agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing is conditional upon the Placing Agreement becoming unconditional in all respects, including, inter alia, the Resolutions being passed without amendment at the GM on 1 April 2011.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of Chariot including the right to receive all dividends and other distributions declared, made or paid in respect of such ordinary shares after the date of issue of the Placing Shares.

As part of the Placing, the Company has agreed that it will not offer, issue or sell any ordinary shares for a period of three months after Admission, without the prior consent of the Brokers. These agreements are subject to certain customary exceptions and do not prevent the Company from granting or exercising options pursuant to the terms of the existing employee share schemes of the Company or other share options or warrants to subscribe for ordinary shares issued by Chariot, provided such other options or warrants have been disclosed in publicly available information prior to the date of this announcement.

#### **Application for Admission**

Subject to the passing of the Resolution, application will be made to London Stock Exchange plc for admission to trading of the Placing Shares on AIM. It is expected that Admission will become effective on or around 5 April 2011 and that dealings in the Placing Shares will commence at that time.

#### **Participation in, and principal terms of, the Placing**

1. RBC and Ambrian are acting as brokers and agents of Chariot.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Brokers. The Brokers and their affiliates are each entitled to participate in the Placing as principal.
3. The Placing Price and the number of Placing Shares to be issued has been agreed between RBC and Chariot following completion of a bookbuilding exercise by RBC (the "Bookbuild").
4. Each prospective Placee's allocation (in each case the "Placing Participation") has been determined by the Brokers in their sole discretion and confirmed orally by one of the Brokers as agent of Chariot. That oral confirmation constitutes an irrevocable legally binding commitment upon that person (who will at that point become a Placee) to subscribe for the number of Placing Shares allocated to it at the Placing Price on the

terms and conditions set out in this Appendix (a copy of the terms and conditions having been provided to the Placee prior to or at the same time as such oral confirmation) and in accordance with Chariot's articles of incorporation.

5. Each Placee also has an immediate, separate, irrevocable and binding obligation, owed to the relevant Broker as agent of Chariot, to pay in cleared funds immediately following Admission in accordance with the Registration and Settlement requirements set out below, an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe and Chariot has agreed to allot and issue to that Placee, conditional upon the passing of the Resolutions and Admission becoming effective.

6. Except as required by law or regulation, no press release or other announcement will be made by the Brokers or Chariot using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

7. Irrespective of the time at which a Placee's Placing Participation is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

8. Completion of the Placing will be subject to the passing of the Resolutions and fulfilment of the other conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement". In the event that the Resolutions are not passed or the Placing Agreement does not become unconditional in any other respect or is terminated, the Placing will not proceed and all funds delivered by you to us in respect of your Placing Participation will be returned to you at your risk without interest.

9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

10. To the fullest extent permissible by law, neither of the Brokers nor any of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Brokers nor any of their affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Brokers' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Brokers and Chariot may agree.

### **Conditions of the Placing**

The Placing Agreement is conditional on, inter alia:

(a) the passing of the Resolutions at a GM held on 1 April 2011 without amendment (or such later date as the Brokers may agree, not being later than 12 April 2011);

(b) the warranties and representations contained in the Placing Agreement being true and accurate and not misleading at all times before and at Admission;

(c) Chariot complying in all material respects with its obligations under the Placing Agreement to the extent the same are to be performed or satisfied prior to Admission;

(d) Chariot allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and

(e) Admission taking place not later than 8.00 a.m. (London time) on 5 April 2011 or such later date as Chariot and the Brokers may otherwise agree (not being later than 8.00 a.m. on 12 April 2011).

If (i) the Resolutions are not passed, (ii) any of the other conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by the Brokers, by the respective time or date where specified (or such later time or date as Chariot and the Brokers may agree), (iii) any of such conditions becomes incapable of being fulfilled or (iv) the Placing Agreement is terminated in the circumstances specified below, the Placing in relation to the Placing Shares will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Brokers may, at their discretion and upon such terms as they think fit, waive compliance by Chariot with the whole or any part of any of Chariot's obligations in relation to the conditions in the Placing

Agreement or extend the time provided for fulfilment of any such conditions. Any such extension or waiver will not affect Placees' commitments as set out in this announcement.

None of the Brokers, Chariot or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and /or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Brokers.

### **Termination of the Placing**

The Brokers are entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to Chariot if, inter alia:

(a) any of the conditions specified in the Placing Agreement have not been satisfied or waived by the Brokers by the time and/or date specified therein (or such later date as the Brokers may agree); or

(b) there has been any breach by the Company of, or any event rendering untrue or incorrect in any respect, any of the warranties or representations or of any other provision of the Placing Agreement to an extent which, in the sole opinion of the Brokers, would be material in the context of the Placing; or

(c) in the opinion of the Brokers (acting in good faith), there has been, or an event has occurred or is about to occur which constitutes or is likely to cause a material adverse change in, or affecting, or a material adverse effect on, the condition, financial, operational, legal or otherwise, or in the earnings, management, business affairs or business prospects of Chariot or its group whether or not arising in the ordinary course of business since the date of the Placing Agreement or any development as a result of which it is reasonably likely that such a material adverse change or effect may occur; or

(d) in the opinion of the Brokers (acting in good faith), there has been (i) a change in national or international financial, political, economic or stock market conditions, (ii) an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis, (iii) suspension or material limitation in trading of securities, or (iv) any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption or general moratorium in commercial banking, in each case as would, in the sole opinion of the Brokers (acting in good faith) be likely to prejudice the success of the Placing.

Upon such termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by the Brokers of any right of termination or by the Brokers of any other discretion under the Placing Agreement shall be within the absolute discretion of the Brokers, as the case may be, and that they need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### **No Prospectus**

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this announcement (including the Appendix) released by Chariot today.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including the Appendix) is exclusively the responsibility of Chariot and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of Chariot or the Brokers or any other person and none of Chariot or the Brokers nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Chariot in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

## Registration and Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the system administered by CRESTCo Limited ("CREST"), subject to certain exceptions. Chariot reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if in the Brokers' reasonable opinion delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with the Brokers.

CREST participant ID of RBC:	388
CREST participant ID of Ambrian:	742
Trade date:	31 March 2011
Settlement date:	5 April 2011
ISIN code for the Placing Shares:	GG00B2R9PM06
Deadline for input instructions into CREST:	3pm (UK time) on 4 April 2011

Chariot will deliver the Placing Shares to a CREST account operated by RBC as agent for Chariot in respect of Placees procured by RBC and RBC will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

Chariot will deliver the Placing Shares to a CREST account operated by Ambrian as agent for Chariot in respect of Placees procured by Ambrian and Ambrian will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 5 April 2011 on a T + 3 basis in accordance with the instructions given to the Brokers.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Brokers.

Each Placee is deemed to agree that, if it does not comply with these obligations, Chariot may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Chariot's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

## **Representations and Warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf):

1. Represents and warrants that it has read this announcement, including the Appendix, in its entirety;
2. Confirms that the exercise by RBC or Ambrian of any right of termination or any right of waiver exercisable by RBC or Ambrian contained in the Placing Agreement, without limitation, the right to terminate the Placing Agreement, is within the absolute discretion of RBC and Ambrian and neither will have any liability to any Placee whatsoever in connection with any decision to exercise or not exercise any such rights;
3. Acknowledges that if (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived), or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will lapse and its rights and obligations hereunder shall cease and determine at such time and no claim shall be made by any Placee in respect thereof;
4. Acknowledges that no offering document or prospectus has been, or will be, prepared in connection with the placing of the Placing Shares and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
5. Acknowledges that the ordinary shares are (and the Placing Shares will be) listed on AIM, and Chariot is therefore required to publish certain business and financial information in accordance with the rules and practices of AIM and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other AIM Listed company, without undue difficulty;
6. Acknowledges that none of the Brokers or Chariot nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide it, with any material regarding the Placing Shares or Chariot or any other person other than this announcement; nor has it requested any of the Brokers or Chariot nor any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
7. Acknowledges that (i) it is not and, if different the beneficial owner of the Placing Shares is not at the time the Placing Shares are acquired will not be a resident of Australia, Canada, Japan or the United States, and (ii) that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in or into those jurisdictions;
8. Acknowledges that the content of this announcement is exclusively the responsibility of Chariot and that none of the Brokers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this announcement or any information previously published by or on behalf of Chariot and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this announcement and any information previously published by Chariot by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of the Brokers or Chariot and none of the Brokers or Chariot will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Chariot in deciding to participate in the Placing;
9. Represents and warrants that neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
10. Represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money

Laundering Regulations 2007 (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity the Brokers have not received such satisfactory evidence, the Brokers may, in their absolute discretion, terminate your Placing Participation in which event all funds delivered by you to the Brokers pursuant to this letter (if any) will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;

11. If a financial intermediary, as that term is used in Article 3(2) of the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC) (as amended) (the "Prospectus Directive") (including any relevant implementing measure in any member state), represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of the Brokers has been given to the proposed offer or resale;

12. Represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA");

13. Represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

14. Represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

15. Represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

16. Represents and warrants that it is a "qualified investor" within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

17. Represents and warrants that it and any person acting on its behalf is entitled to subscribe for and purchase the Placing Shares under the laws of all relevant jurisdictions which would apply to it, and that it and any person acting on its behalf is in compliance with applicable laws in the jurisdiction of its residence, the residence of the Company, or otherwise;

18. Acknowledges that the Placing Shares are being offered and sold pursuant to Regulation S under the Securities Act in an "offshore transaction" (as such term is defined in Regulation S under the Securities Act) and the Placing Shares have not been and will not be registered under the Securities Act;

19. Undertakes that it (and any person acting on its behalf) will make or procure payment for the Placing Shares allocated to it in accordance with this announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Brokers may in their discretion determine and without liability to such Placee;

20. Acknowledges that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that Chariot may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

21. Acknowledges that neither of the Brokers, nor any of their respective affiliates, nor any person acting on behalf of either of them, is making any recommendations to it, advising it regarding the suitability of any

transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of either Broker and that the Brokers have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

22. Undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Brokers nor Chariot will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify Chariot and the Brokers in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of the Brokers who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

23. Acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by Chariot or the Brokers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

24. Agrees that Chariot and the Brokers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Brokers on its own behalf and on behalf of Chariot and are irrevocable;

25. Agrees to indemnify and hold Chariot and the Brokers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

26. Acknowledges that its commitment to subscribe Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to Chariot's conduct of the Placing. The foregoing representations, warranties and confirmations are given for the benefit of Chariot and the Brokers. The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from Chariot for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder, of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither Chariot nor the Brokers shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Brokers accordingly;

27. Acknowledges that no action has been or will be taken by any of Chariot, the Brokers or any person acting on behalf of Chariot or the Brokers that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required; and

28. Acknowledges that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and are able to sustain a complete loss in

connection with the Placing. It has relied upon its own examination and due diligence of Chariot and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that the Brokers or any of their affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with the Brokers, any money held in an account with any of the Brokers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Brokers' money in accordance with the client money rules and will be used by the relevant Broker in the course of its own business; and the Placee will rank only as a general creditor of the Brokers. All times and dates in this announcement may be subject to amendment. The Brokers shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.