



15 December 2016

Chariot Oil & Gas Limited

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

Pre-Close Operational Update

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today provides a pre-close operational update prior to its year end 31 December.

Over the past 12 months Chariot has continued to progress and enhance its portfolio whilst protecting its position in challenging market conditions. As a result of a combination of prudent cash management, partnering, securing new acreage and maturing the portfolio while capitalising on current seismic costs, Chariot has been able to preserve a strong cash position while developing an inventory of drill-ready prospects with material follow-on potential.

Chariot expects an unaudited cash position at year-end of approximately US\$25 million. The Company remains debt free with cash in excess of licence commitments.

In Morocco, Chariot was pleased to announce the farm-in of Eni into the Rabat Deep Offshore Exploration Permits I-VI. The licence operatorship will be transferred to Eni on final government approval which will trigger the recovery of Chariot's back costs. The Rabat Deep partnership will be drilling the JP-1 prospect with the RD-1 well and drilling is now expected to occur in early 2018. This prospect has audited gross mean prospective resources of 768mmbbls, which will be transformational to the Company in the success case.

Chariot was also pleased to be awarded the Mohammedia Offshore Exploration Permits I – III (Chariot, 75% equity and operator), which are adjacent to the Rabat Deep licence area. The plays in Mohammedia have the potential to be significantly de-risked by the drilling of the RD-1 well. The team has identified material prospectivity in the JP-2 prospect and other prospects in the shallower Lower Cretaceous play which have a combined gross mean prospective resource in the region of 1 billion barrels. Chariot will be acquiring 3D seismic in the early part of next year to investigate the extension of the Lower Cretaceous play into a region with no current seismic coverage.

Offshore Namibia, Chariot acquired and processed 2,600km² of 3D data in the Central Blocks (2312 and 2412A) and these data are now being interpreted by our technical team. As noted in the Interim Results, initial evaluation confirms the potential of these blocks which are undergoing in-depth analysis and detailed interpretation. Following the completion of this interpretation, a partnering process will be initiated next year.

Also in Namibia, the partnering process in the Southern Blocks (2714A and 2714B) is ongoing with the data room currently open and showcasing the newly identified AO-1 and AO-2 prospects. In the latest Competent Person's Report, Netherland Sewell Associates Inc. has assigned 8.1Tcf and 2.2 Tcf of gross mean prospective resource respectively to these prospects.

In Brazil, proprietary acquisition and processing of the 775km² of 3D data across the four Chariot concessions is complete and interpretation of these data has been initiated. This technical evaluation will focus on

describing reservoir distribution and identifying key prospects in light of the upcoming third party exploration programmes within the Barreinhas region. Partnering on these licences is expected to commence in H2 next year following completion of the interpretation.

The Company continues to evaluate new venture opportunities to further enhance the portfolio through the addition of value accretive assets.

Larry Bottomley, CEO commented:

“We have made significant progress throughout the year, proactively pursuing our exploration programmes, completing another farm-out, maturing our current portfolio and securing further prospective acreage in line with our strategy of rigorous portfolio management and capital discipline. As we reported at the time of our interim results, we are now focused on delivering three exploration wells in the next two years. We expect the tough market conditions to continue into the next year but Chariot has established a strong position within this environment which will allow us to deliver on our plans.”

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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NOTES TO EDITORS

About Chariot

Chariot Oil & Gas Limited is an independent oil and gas exploration group. It holds licences covering four blocks in Namibia, two blocks in Morocco and four licences in the Barreinhas Basin offshore Brazil. 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’.