



## Interim Results

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 Chariot Oil & Gas Ld  
 20 September 2013

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### **Chariot Oil & Gas Limited**

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

### **Interim Results**

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces its unaudited interim results for the six month period ended 30 June 2013.

#### **Highlights during and post period:**

##### **Building a diversified operated asset base with material upside:**

- Broadened Atlantic margins portfolio through successful bids on four exploration blocks in the frontier Barreirinhas basin, offshore Brazil

##### **Maturing the portfolio to deliver transformational opportunities:**

- Principal prospects prioritised for drilling in the Central Blocks, Namibia - significant follow on potential in multiple fairways in the success case
- Completion of 3,500km<sup>2</sup> 3D seismic acquisition programme in Block C19, Mauritania
- Reprocessing of 11,000km of legacy 2D data across all licences completed and interpretation underway in Morocco

##### **Delivering on strategic approach to cost and risk management:**

- Farm-out agreed with Cairn Energy Plc ("Cairn") in Mauritania, with Chariot retaining 55% equity and operatorship of Block C19, recovering almost all back costs
- Partnering process initiated in Northern and Central Blocks, Namibia

##### **Securing licence extensions to maximise flexibility:**

- Licence extensions obtained for Southern Block (2714A) and Central Blocks, Namibia, until 31 August 2014
- New licence granted for Southern Block (2714B), Namibia recouping all of the original licence area in a new First Exploration Phase, until 31 May 2017
- Licence extensions awarded for Loukos and Casablanca/Safi, Morocco, until 11 January 2014

##### **Well funded to realise the high potential of assets:**

- Debt free with a cash position of US\$39.9m at 30 June 2013, as forecast
- US\$26m to be received following receipt of Government approvals on Cairn farm-in

#### Outlook:

- All licence commitments fully funded
- Planned work programme fully funded beyond 2014
- Namibia - 2D seismic acquisition programme planned for 4Q 2013 / 1Q 2014 to cover new play system in Southern Block 2714B
- Mauritania Block C19 - 3D Pre Stack Depth Migration ("PSDM") data expected November 2013 - prospect inventory and resource update to be reported in 1Q 2014 prior to further partnering process
- Morocco - Interpretation of the 2D seismic data in Morocco to be completed 4Q 2013 to inform the forward work programme in 2014
- Brazil - 3D seismic programme Environmental Impact Assessment ("EIA") initiated, with acquisition planned for 4Q 2014
- Third party drilling in Namibia, Mauritania and Morocco scheduled for the near term will help further mature the understanding of plays within Chariot acreage

#### Larry Bottomley, CEO of Chariot, commented:

*"Our activity throughout the year has seen us continue to create a platform for growth. We have a clearly defined strategy which we are delivering: further expanding our footprint within the Atlantic margins by securing new acreage through success in the bid round in Brazil; managing risk and preserving our cash position with the farm-out recently announced in Mauritania; and maximising our flexibility by securing extensions throughout the portfolio. Our detailed technical work continues across all of our licence areas as we mature the transformational opportunities within our asset base."*

#### Webcast

There will be an analyst conference call held at 9.00am today. This will be recorded and made available on our website ([www.chariotoilandgas.com](http://www.chariotoilandgas.com)) as soon as possible post the event.

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#### Chief Executive's Review:

We continue our work to build a company that exposes our stakeholders to transformational growth through exploration in new and emerging basins.

As a result of our success in the 11<sup>th</sup> licensing round offshore Brazil in May, we have added new frontier acreage within the Atlantic margins, delivering on our strategy of acquiring large, high potential, operated equity positions in the early stages of exploration. Post period end we also secured Cairn as a partner on our Mauritania C19 block, consistent with our fundamental aims of managing risk, bolstering our cash position and securing third party validation of the portfolio. At the same time, we have continued to mature the asset base, completing the acquisition of 3,500km<sup>2</sup> of 3D seismic in Mauritania, reprocessing 11,000km of legacy 2D seismic in Morocco, and developing the prospect inventory in the Central Blocks in Namibia.

A characteristic of new and emerging basins is that the understanding of the petroleum systems is at a very early stage. This understanding then improves over time as more information becomes available through further exploration activity. Significant exploration is occurring in and around all of our acreage, and we have secured licence extensions in most of the portfolio to ensure that we create sufficient time to evaluate and incorporate the rapid developments in regional knowledge and to learn from this activity.

For example, in Namibia, we have further matured our understanding across all of our licences through the evaluation of our extensive proprietary 3D seismic data sets and obtained licence extensions to ensure that we are able to fully integrate the results from Chariot's drilling programme in 2012 as well as third party drilling this year. Chariot has also been active in processing and interpreting substantial amounts of seismic data acquired offshore Mauritania and Morocco and we have secured the appropriate licence extensions for our Moroccan assets to give us time to comprehensively evaluate this data and optimise our plans for the next phase of exploration. Going forward, as with Namibia, we will be looking to undertake a technical programme in all those assets where we can benefit from information that comes from the results of third party drilling.

These factors have contributed to the development of an exploration portfolio with a pipeline of activity scheduled for the coming years offering material upside and a broad scope for further exploration and development.

### **Namibia**

The results of the Kabeljou-1 well that Chariot participated in last year offers important insights into the prospectivity of the blocks in the Southern area. The deeper petroleum system is interpreted to have undergone early maturation of the source rock, with the subsequent hydrocarbon migration pre-dating the development of the Kabeljou trap. The well also encountered marginally mature, world-class source rocks in the shallower petroleum system, and as a consequence Chariot renewed the 2714B licence for an initial four year exploration period to look to further explore the potential of plays within this system. The source rock and shows encountered in recent third party drilling support our understanding of this petroleum system. A 2,000km 2D seismic acquisition programme is being planned within 2714B for 4Q 2013 / 1Q 2014 to identify the location of stratigraphic traps in Upper Cretaceous deep-water canyon-heads and channels over the area where this shallower petroleum system falls in the oil window.

In the Central Blocks, we were granted a one year extension for the First Renewal Phase in May. This enabled us to incorporate results of the recent wells drilled in close proximity to our acreage into our understanding of the region, prior to initiating a farm out process. These wells demonstrated the presence of mature, oil prone source rocks, reservoirs, seals and recovered light oil, and information from this drilling has focused our exploration campaign onto the lower risk shallower petroleum system. As a result, we have prioritised our principal drilling prospects, as announced on 9 September 2013, and we have a number of further targets within this acreage with significant follow-on potential in the success case. A dataroom is now open and, subject to the success of a farm-out agreement and rig availability, we could drill in this region with a partner in 2H 2014.

The Tapir South-1 well drilled last year in our Northern Blocks encountered excellent quality Upper Cretaceous deep-water turbidite sandstones. While the well was dry, hydrocarbons were encountered in fluid inclusions in the cements evidencing an early charge which pre-dates trap formation. Remaining potential exists in both stratigraphic and structural traps and a dataroom has been open for this licence. We have had some interest in these assets but we have not yet received an acceptable bid. We will now wait for, and incorporate, information from the results of nearby drilling expected in 1Q 2014 and assess our marketing strategy for this licence thereafter.

### **Mauritania**

In Block C19 offshore Mauritania, our 3,500km<sup>2</sup> 3D seismic programme was completed in January this year, with the fast track data delivered in March. In August we secured Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn, as a partner. In return for a 35% equity interest in the Block, Cairn will cover all costs incurred from the 3D seismic data acquisition and other back costs totalling US\$26m whilst also allowing us to maintain operatorship and a large proportion of the Block. These funds will be used to further develop the rest of the Chariot portfolio.

The farm-out not only secures funding but also diversifies risk and demonstrates third party validation of the prospectivity of our acreage. To date, we have identified a range of play types

from the fast track data including deep water canyon-head, channel and basin floor fan systems in structural and stratigraphic traps. Final PSDM volumes are due to be received in November this year and will be fully interpreted and analysed, integrating any learnings from current third party drilling. A prospect and lead inventory will be published in 1Q 2014, prior to drilling planning and the evaluation of further partnering options. Subject to this process, we expect to drill here in 2015.

### **Morocco**

Our work in Morocco has been focused on the reprocessing of the legacy 2D seismic data that we acquired when we secured the Loukos, Casablanca/Safi and Rabat Deep blocks in 4Q 2012. In July, we received the reprocessing of 11,000km of legacy 2D data and interpretation is underway. Multiple plays and features have been identified within the acreage, which are supported by the proven discoveries both onshore and offshore Morocco as well as in the conjugate margin of Nova Scotia. The second half of this year will see extensive third party drilling activity which will provide further information on the geology in the area. Having interpreted the reprocessed datasets, the forward work programme will be determined, and is likely to include further seismic acquisition in 2014. Following this likely acquisition and subsequent processing and interpretation, we will look to initiate a partnering process in 2015 with the aim to drill in 2016.

### **Brazil**

Chariot's entry into Brazil is consistent with our strategy of gaining an early mover advantage in a frontier province. Chariot holds 100% interest in the four blocks in the Barreirinhas basin which we acquired in the 11<sup>th</sup> offshore bidding round in May this year. We secured this position with minimal work commitments and a low signature bonus and, whilst these are defined as shallow water blocks based on the bidding guidelines, the majority of our acreage extends into the high potential deeper water. A large structure and deep-water turbidites have been identified on the legacy 2D seismic data and although this is a frontier region, it is the conjugate basin to Ghana. An EIA has been initiated and a 3D seismic programme is in the planning stages for 4Q 2014. Following this, a partnering process is expected to be initiated in 2015 with the aim to drill in 2016.

### **Financial Results**

The Group is debt free and held cash balances of US\$39.9m at 30 June 2013 (US\$68.3m at 31 December 2012). As disclosed in note 7, upon the receipt of Mauritanian Government approval relating to the farm-out agreement with a wholly owned subsidiary of Cairn, an additional US\$26m will be received.

The Group incurred a loss of US\$4.3m for the six months ended 30 June 2013 (30 June 2012: US\$83.8m). The reduction in the loss between the two periods is primarily due to an impairment charge of US\$80.8m for the Tapir South well reflected in the 2012 comparative period. Other administrative expenses at US\$3.1m are broadly consistent (30 June 2012: US\$3.0m) and share based payments charges at US\$1.1m are higher than the US\$0.7m for the six months ended 30 June 2012 due to an award of deferred shares made to staff in 4Q 2012.

Net cash outflow from operating activities before changes in working capital at US\$2.9m is unchanged from the six months ended 30 June 2012.

Capitalised exploration costs in the period of US\$10.1m (30 June 2012: US\$97.8m) were funded by existing cash and working capital movements.

### **Our Team**

We have had some Board changes in recent months. Philip Loader stepped down as Non-Executive Chairman due to other commitments which meant he could no longer serve on our Board and we wish him well with his new endeavours. He was replaced by George Canjar, who was previously Senior Independent Non-Executive Director, and Matthew Taylor was appointed to the Board as Technical Director. We have also recruited some new senior staff members, with Duncan Wallace joining us as Exploration Manager, Juliet Crosby as Senior Geophysicist and Paul Ramsey as Senior Geoscientist and I would like to welcome them to the Chariot team.

### **Looking Forward**

We will continue to execute our strategy and deliver on our stated objectives. We look forward to further developing Chariot's asset base over the coming months and years to achieve our goal of transformational growth.

Larry Bottomley  
CEO  
19 September 2013

## **Independent review report to Chariot Oil & Gas Limited**

### **Introduction**

We have been engaged by the company to review the set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the set of financial statements.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

### **Our responsibility**

Our responsibility is to express to the company a conclusion on the set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

*BDO LLP*

*Chartered Accountants and Registered Auditors*

*London*

*United Kingdom*

*19 September 2013*

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

**Chariot Oil & Gas Limited**  
**Consolidated statement of comprehensive income for the six months ended 30 June 2013**

	Note	Six months ended 30 June 2013 US\$000 Unaudited	Six months ended 30 June 2012 US\$000 Unaudited	Year ended 31 December 2012 US\$000 Audited
Share based payments		(1,126)	(663)	(1,793)
Impairment of exploration asset		-	(80,853)	(80,853)
Other administrative expenses		(3,057)	(3,005)	(7,476)
Total operating expenses		(4,183)	(84,521)	(90,122)
<b>Loss from operations</b>		<b>(4,183)</b>	<b>(84,521)</b>	<b>(90,122)</b>
Finance income		203	700	1,561
Finance expense		(357)	-	-
<b>Loss for the period before taxation</b>		<b>(4,337)</b>	<b>(83,821)</b>	<b>(88,561)</b>
Tax expense		-	-	-
<b>Loss for the period and total comprehensive loss for the period attributable to equity owners of the parent</b>		<b>(4,337)</b>	<b>(83,821)</b>	<b>(88,561)</b>
<b>Loss per ordinary share attributable to the equity holders of the parent - basic and diluted</b>	<b>3</b>	<b>US\$(0.02)</b>	<b>US\$(0.44)</b>	<b>US\$(0.45)</b>

**Chariot Oil & Gas Limited**

**Consolidated statement of changes in equity for the six months ended 30 June 2013**

	Share capital	Share premium	Contributed equity	Share based payment reserve	Foreign exchange reserve	Retained deficit	Total attributable to
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	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	equity holders of the parent US\$000
<b>For the six months ended 30 June 2013 (unaudited)</b>							
<b>As at 1 January 2013</b>	<b>3,758</b>	<b>323,668</b>	<b>796</b>	<b>4,841</b>	<b>(1,241)</b>	<b>(135,176)</b>	<b>196,646</b>
Total comprehensive loss for the period	-	-	-	-	-	(4,337)	(4,337)
Share based payments	-	-	-	1,126	-	-	1,126
Transfer of reserves due to issue of LTIPS	1	194	-	(195)	-	-	-
<b>As at 30 June 2013</b>	<b>3,759</b>	<b>323,862</b>	<b>796</b>	<b>5,772</b>	<b>(1,241)</b>	<b>(139,513)</b>	<b>193,435</b>
<b>For the six months ended 30 June 2012 (unaudited)</b>							
<b>As at 1 January 2012</b>	<b>3,457</b>	<b>275,885</b>	<b>796</b>	<b>4,389</b>	<b>(1,241)</b>	<b>(46,615)</b>	<b>236,671</b>
Total comprehensive loss for the period	-	-	-	-	-	(83,821)	(83,821)
Issue of capital	287	48,450	-	-	-	-	48,737
Issue costs	-	(1,994)	-	-	-	-	(1,994)
Share based payments	-	-	-	663	-	-	663
Transfer of reserves due to issue of LTIPS	13	1,211	-	(1,224)	-	-	-
<b>As at 30 June 2012</b>	<b>3,757</b>	<b>323,552</b>	<b>796</b>	<b>3,828</b>	<b>(1,241)</b>	<b>(130,436)</b>	<b>200,256</b>
<b>For the year ended 31 December 2012 (audited)</b>							
<b>As at 1 January 2012</b>	<b>3,457</b>	<b>275,885</b>	<b>796</b>	<b>4,389</b>	<b>(1,241)</b>	<b>(46,615)</b>	<b>236,671</b>
Total comprehensive loss for the year	-	-	-	-	-	(88,561)	(88,561)
Issue of capital	287	48,450	-	-	-	-	48,737
Issue costs	-	(1,994)	-	-	-	-	(1,994)
Share based payments	-	-	-	1,793	-	-	1,793
Transfer of reserves due to	14	1,327	-	(1,341)	-	-	-

issue of LTIPS

<b>As at 31 December 2012</b>	<b>3,758</b>	<b>323,668</b>	<b>796</b>	<b>4,841</b>	<b>(1,241)</b>	<b>(135,176)</b>	<b>196,646</b>
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**Chariot Oil & Gas Limited**  
**Consolidated Statement of Financial Position as at 30 June 2013**

	<b>Notes</b>	<b>30 June 2013 US\$000 Unaudited</b>	<b>30 June 2012 US\$000 Unaudited</b>	<b>31 December 2012 US\$000 Audited</b>
<b>Non-current assets</b>				
Exploration and appraisal costs	<b>4</b>	146,716	105,878	136,639
Property, plant and equipment		758	252	882
<b>Total non-current assets</b>		<b>147,474</b>	<b>106,130</b>	<b>137,521</b>
<b>Current assets</b>				
Trade and other receivables		1,715	1,188	2,922
Inventory		7,191	6,994	7,153
Cash and cash equivalents	<b>5</b>	39,927	112,423	68,257
<b>Total current assets</b>		<b>48,833</b>	<b>120,605</b>	<b>78,332</b>
<b>Total assets</b>		<b>196,307</b>	<b>226,735</b>	<b>215,853</b>
<b>Current liabilities</b>				
Trade and other payables		2,872	26,479	19,207
<b>Total current liabilities</b>		<b>2,872</b>	<b>26,479</b>	<b>19,207</b>
<b>Total liabilities</b>		<b>2,872</b>	<b>26,479</b>	<b>19,207</b>
<b>Net assets</b>		<b>193,435</b>	<b>200,256</b>	<b>196,646</b>
<b>Capital and reserves attributable to equity holders of the parent</b>				
Share capital	<b>6</b>	3,759	3,757	3,758
Share premium		323,862	323,552	323,668
Contributed equity		796	796	796
Share based payment reserve		5,772	3,828	4,841
Foreign exchange reserve		(1,241)	(1,241)	(1,241)
Retained deficit		(139,513)	(130,436)	(135,176)
<b>Total equity</b>		<b>193,435</b>	<b>200,256</b>	<b>196,646</b>

**Chariot Oil & Gas Limited**  
**Consolidated cash flow statement for the six months ended 30 June 2013**

	<b>Six months ended 30 June 2013 US\$000 Unaudited</b>	<b>Six months ended 30 June 2012 US\$000 Unaudited</b>	<b>Year ended 31 December 2012 US\$000 Audited</b>
<b>Operating activities</b>			
Loss for the period before taxation	(4,337)	(83,821)	(88,561)

Adjustments for:			
Finance income	(203)	(700)	(1,561)
Finance expense	357	-	-
Depreciation	175	92	187
Share based payments	1,126	663	1,793
Impairment of exploration asset	-	80,853	80,853
<b>Net cash outflow from operating activities before changes in working capital</b>	<b>(2,882)</b>	<b>(2,913)</b>	<b>(7,289)</b>
Decrease / (increase) in trade and other receivables	1,437	129	(1,614)
(Decrease) / increase in trade and other payables	(1,667)	35	1,625
Increase in inventories	(38)	(2,316)	(2,475)
<b>Net cash outflow from operating activities</b>	<b>(3,150)</b>	<b>(5,065)</b>	<b>(9,753)</b>
<b>Investing activities</b>			
Finance income	203	415	885
Payments in respect of property, plant and equipment	(51)	(123)	(848)
Farm-in proceeds	-	18,500	33,379
Payments in respect of intangible assets	(24,975)	(77,322)	(131,815)
<b>Net cash outflow used in investing activities</b>	<b>(24,823)</b>	<b>(58,530)</b>	<b>(98,399)</b>
<b>Financing activities</b>			
Issue of ordinary share capital	-	48,737	48,737
Issue costs	-	(1,994)	(1,994)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>46,743</b>	<b>46,743</b>
<b>Net decrease in cash and cash equivalents in the period</b>	<b>(27,973)</b>	<b>(16,852)</b>	<b>(61,409)</b>
<b>Cash and cash equivalents at start of the period</b>	<b>68,257</b>	<b>128,990</b>	<b>128,990</b>
Effect of foreign exchange rate changes on cash and cash equivalent	(357)	285	676
<b>Cash and cash equivalents at end of the period</b>	<b>39,927</b>	<b>112,423</b>	<b>68,257</b>

## Chariot Oil & Gas Limited

### Notes to the Interim Statements for the six months ended 30 June 2013

#### 1. Accounting policies

##### *Basis of preparation*

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU.

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2012. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

There has been no impact on the Group of any new standards, amendments or interpretations that have become effective in the period. The Group has not early adopted any new standards, amendments or interpretations.

## 2. Financial reporting period

The interim financial information for the period 1 January 2013 to 30 June 2013 is unaudited but was the subject of an independent review carried out by the Company's auditors, BDO LLP. The financial statements also incorporate the unaudited figures for the interim period 1 January 2012 to 30 June 2012 and the audited year ended 31 December 2012.

The financial information contained in this interim report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008.

The figures for the year ended 31 December 2012 are not the Group's full statutory accounts for that year. The auditors' report on those accounts was unqualified, did not contain references to matters to which the auditors drew attention by way of emphasis and did not contain a statement under section 263 (3) of the Companies (Guernsey) Law 2008.

## 3. Loss per share

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Six months ended 30 June 2013	Six months ended 30 June 2012	Year ended 31 December 2012
Loss for the period US\$'000	(4,337)	(83,821)	(88,561)
Weighted average number of shares	200,667,617	192,397,536	196,527,961
<b>Loss per share, basic and diluted*</b>	<b>US\$(0.02)</b>	<b>US\$(0.44)</b>	<b>US\$(0.45)</b>

\*Inclusion of the potential ordinary shares would result in a decrease in the loss per share and, as such, is considered to be anti-dilutive. Consequently a separate diluted loss per share has not been presented.

## 4. Intangible assets

	Six months ended 30 June 2013	Six months ended 30 June 2012	Year ended 31 December 2012
	US\$000	US\$000	US\$000
<b>Balance brought forward</b>	<b>136,639</b>	<b>88,889</b>	<b>88,889</b>
Additions	10,077	97,842	128,603
Impairment	-	(80,853)	(80,853)
<b>Net book value</b>	<b>146,716</b>	<b>105,878</b>	<b>136,639</b>

As at 30 June 2013 the net book values of the six cost pools are Northern Block offshore Namibia US\$33.4m (31 December 2012: US\$33.3m), Central Block offshore Namibia US\$41.3m (31 December 2012: US\$40.8m), Southern Block offshore Namibia US\$42.6m (31 December 2012: US\$42.0m), Mauritania US\$28.3m (31 December 2012: US\$20.3m), Morocco US\$0.8m (31 December 2012: US\$0.2m) and Brazil US\$0.3m (31 December 2012: US\$nil).

## 5. Cash and cash equivalents

As at 30 June 2013 the cash balance of US\$39.9m (31 December 2012: US\$68.3m) contains US\$2.5m (31 December 2012: US\$10.0m) and US\$1.0m (31 December 2012: US\$1.0m) of cash deposits that are secured against bank guarantees given in respect of work to be carried out respectively on the Mauritanian and Moroccan licences. The funds are freely transferrable but alternative collateral would need to be put in place to replace the cash security.

## 6. Share capital

<b>Allotted, called up and fully paid</b>						
	<b>At 30 June 2013</b>	<b>At 30 June 2013</b>	<b>At 30 June 2012</b>	<b>At 30 June 2012</b>	<b>At 31 December 2012</b>	<b>At 31 December 2012</b>
	<b>Number</b>	<b>US\$'000</b>	<b>Number</b>	<b>US\$'000</b>	<b>Number</b>	<b>US\$'000</b>
Ordinary shares of 1p each	200,704,098	3,759	200,601,330	3,757	200,641,135	3,758

Details of the ordinary shares issued during the 6 month period to 30 June 2013 are given in the table below:

<b>Date</b>	<b>Description</b>	<b>Price US\$</b>	<b>No of shares</b>
<b>31 December 2012</b>	<b>Opening Balance</b>		<b>200,641,135</b>
10 April 2013	Issue shares as part of LTIP	3.61	30,000
10 April 2013	Issue shares as part of LTIP	1.74	9,366
23 April 2013	Issue shares as part of LTIP	4.38	10,500
23 April 2013	Issue shares as part of LTIP	1.74	3,097
23 April 2013	Issue shares as part of LTIP	1.95	10,000
<b>30 June 2013</b>			<b>200,704,098</b>

The ordinary shares have a nominal value of 1p. The share capital has been translated at the historic rate at the date of issue, or, in the case of the LTIP, the date of grant.

#### 7. Events after the reporting period

On 8 August 2013 the Company announced that its wholly-owned subsidiary, Chariot Oil & Gas Investments (Mauritania) Limited, had signed a farm-out agreement with Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy Plc ("Cairn"). Following completion of this agreement, Cairn will hold a 35% working interest in Chariot's C19 licence offshore Mauritania in return for paying approximately US\$26million for the costs of the 3D seismic data acquired by Chariot on the block and other back costs. The US\$26million will be received upon approval of the agreement by the Ministry of Hydrocarbons in Mauritania. On completion of the agreement Chariot will have a 55% stake and operatorship of the licence, with the Société Mauritanienne des Hydrocarbures (SMH) holding the remaining 10% as a carried interest.

Subsequent to 15 May 2013 announcement of the successful Brazilian bids, on 2 September 2013 the Brazilian National Agency of Petroleum, Natural Gas and Biofuel (ANP) formally approved and signed the concession agreements for Chariot's 100% interest and operatorship in licences BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314 in the Barreirinhas basin, offshore Brazil.

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