



9 May 2019

## **Chariot Oil & Gas Limited**

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

### **Competent Persons Report on the Anchois Discovery, Morocco** *Remaining recoverable resources upgraded to in excess of 1 Tcf of gas*

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas company, is pleased to announce the completion of the independent Competent Persons Report ("CPR") by Netherland Sewell & Associates Inc. ("NSAI") over the satellite prospects adjacent to the Anchois-1 gas discovery in the Lixus Offshore Licence ("Lixus"), Morocco.

- **Upgrade of audited total remaining recoverable resource to be in excess of 1 Tcf for Anchois and its satellite prospects (comprising 2C contingent resources and 2U prospective resources)**
- **Anchois North confirmed as the low risk priority satellite prospect with 308 Bcf of 2U prospective resources with a probability of geological success of 43%**
- **Further CPR on additional five prospects in Lixus licence to be completed after the 3D seismic reprocessing project**

#### **Larry Bottomley, CEO commented:**

*"This independent third party evaluation confirms that the Anchois discovery and its nearby satellite prospects presents Chariot with an exciting and commercially attractive development opportunity. The combination of a de-risked resource base in a fast-growing energy market, with high gas prices and a need for increased supply is highly attractive to a wide range of strategic partners throughout the energy value chain.*

*We anticipate a period of sustained news flow on this exciting project going forward, which should further unlock the value of the Lixus licence, with the results of the feasibility and gas market studies expected to be announced in due course."*

#### **Further Information**

Chariot, through its wholly owned subsidiary, Chariot Oil & Gas Holdings (Morocco) Limited, has a 75% interest and operatorship of the Lixus Offshore Licence, Morocco, in partnership with the Office National des Hydrocarbures et des Mines ("ONHYM") which holds a 25% carried interest.

Lixus licence covers an area of approximately 2,390km<sup>2</sup>, 30km north of Chariot's existing Moroccan acreage, with water depths ranging from the coastline to 850m. The area has been subject to earlier exploration with legacy 3D seismic data covering approximately 1,425km<sup>2</sup> and four exploration wells, including the Anchois gas discovery.

The Anchois-1 well was drilled in 2009 in 388m water depth some 40km from the coast and encountered an estimated net gas pay of 55m in two sands with average porosities ranging from 25% to 28%. An independent audit of this discovery by NSAI estimates a 2C contingent resource of 307 Bcf. A deeper target not penetrated by the well has 2U prospective resources estimated by NSAI of 116 Bcf, with the Anchois discovery containing a remaining recoverable resource of 423 Bcf.

The Anchois discovery is in Tertiary-aged turbidite reservoirs that occur above a nappe emplaced during the Alpine orogeny and the pay sands have a characteristic and anomalous seismic signature. The Company has identified five satellite prospects to Anchois that have tie-back potential, all of which have now been audited by NSAI, giving Anchois and the satellites total remaining recoverable resources in excess of 1 Tcf.

The excellent quality reservoirs in the Anchois discovery offer the potential for high rate wells and the consequent possibility of a low-cost development. The combination of excellent commercial contractual terms, high domestic gas prices and growing energy demand mean the Anchois discovery offers the potential for a material, high-value project. Furthermore, the low risk prospect inventory offers running room for additional, low-cost tie-back opportunities.

The table below summarises the results of the CPR on Anchois and its satellite prospects.

Field / Prospect	Unrisked Gross (100 percent) Contingent Gas resources* (Bcf) Prospective Gas resources (Bcf)				Probability of Geologic Success (Pg)
	1C*	2C*	3C*	Mean	
	1U	2U	3U	Mean	
<b>Anchois Discovery</b>					
<b>Anchois A sand*</b>	<b>45</b>	<b>107</b>	<b>143</b>	<b>100</b>	<b>N/A</b>
<b>Anchois B sand*</b>	<b>111</b>	<b>201</b>	<b>290</b>	<b>201</b>	<b>N/A</b>
<b>Anchois Contingent Resource*</b>	<b>156</b>	<b>307</b>	<b>433</b>	<b>301</b>	<b>N/A</b>
<b>Anchois Deep (C sand)</b>	<b>56</b>	<b>116</b>	<b>172</b>	<b>115</b>	<b>N/A</b>
<b>Anchois Remaining Recoverable Resource</b>	<b>212</b>	<b>423</b>	<b>605</b>	<b>416</b>	<b>N/A</b>
<b>Anchois Satellites</b>					
<b>Anchois N</b>	<b>140</b>	<b>308</b>	<b>492</b>	<b>297</b>	<b>43%</b>
<b>Anchois W</b>	<b>45</b>	<b>89</b>	<b>134</b>	<b>86</b>	<b>35%</b>
<b>Anchois NW</b>	<b>10</b>	<b>29</b>	<b>51</b>	<b>28</b>	<b>34%</b>
<b>Anchois SW</b>	<b>42</b>	<b>101</b>	<b>165</b>	<b>98</b>	<b>28%</b>
<b>Anchois WSW</b>	<b>22</b>	<b>61</b>	<b>110</b>	<b>60</b>	<b>23%</b>
<b>Anchois &amp; Anchois Satellites Remaining Recoverable Resource</b>	<b>470</b>	<b>1011</b>	<b>1556</b>	<b>985</b>	

An additional five prospects have been identified in Lixus in similar geological settings as Anchois, but are currently without the appropriately conditioned 3D seismic data to confirm comparable anomalous seismic signature. The Company estimates these prospects to have gross best estimate prospective resources ranging from 66 Bcf to 330 Bcf. Seismic reprocessing will be undertaken to reduce the risk for these additional prospects after which a CPR is to be conducted on these prospects. Chariot is also evaluating leads identified in the section below the Nappe, which has the potential for giant scale prospective resources.

The initial licence commitment, for which the Company is fully funded, includes a technical programme of 3D seismic reprocessing and evaluation to access the additional exploration potential of Lixus. Chariot will also further evaluate the gas market, test development concepts and seek strategic partnerships and alliances to progress towards a development of the Anchois discovery.

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

### **Qualified Person Review**

This release has been reviewed by Duncan Wallace, Exploration Manager of Chariot, who is a petroleum geologist with over 15 years' experience in petroleum exploration. He holds an MSc in Petroleum Geology from Imperial College, is a fellow of the Geological Society of London and a member of the Petroleum Exploration Society of Great Britain. Mr Wallace has consented to the inclusion of the technical information in this release in the form and context in which it appears.

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### **NOTES TO EDITORS**

#### **ABOUT CHARIOT**

Chariot Oil & Gas Limited is an independent oil and gas company focused on the Atlantic margins. It holds exploration licences covering two blocks in Namibia, three blocks in Morocco and four blocks in the Barreirinhas Basin offshore Brazil.

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'