THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should consult an independent professional adviser authorised under the United Kingdom Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities.

Chariot Oil & Gas Limited (the "Company") and its directors (the "Directors"), whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure this is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the whole of the issued and to be issued ordinary share capital of the Company (the "Ordinary Shares") to be admitted to trading on AIM (the "Admission"), a market operated by London Stock Exchange plc ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on Admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority and it is emphasised that no application is being made for admission of the Ordinary Shares to the Official List of the UK Listing Authority. Furthermore, neither London Stock Exchange plc nor the UK Listing Authority has examined or approved the contents of this document.

It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 19 May 2008.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance 1959 (as amended) has been obtained for the issue of this document. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the arrangement or the financial soundness of the Company or the correctness of any of the statements made or the opinions expressed with regard to it.

This document, which does not constitute a prospectus, has been drawn up in accordance with the AIM Rules for Companies and has been issued in connection with the application for admission to trading of the Ordinary Shares on AIM. This document contains no, and the Company is not making an, offer to the public within the meaning of sections 85 and 102B of FSMA. This document is therefore not an approved prospectus for the purposes of section 85 of FSMA, and has not been filed with the Financial Services Authority (the "FSA") or any other authority which could be a competent authority for the purposes of the EU Prospectus Directive 2003/71/EC nor has it been approved by a person authorised under FSMA.

CHARIOT OIL & GAS LIMITED

(Incorporated and registered in the Bailiwick of Guernsey with registered number 47532)

Placing of 34,615,000 new Ordinary Shares of 1p each at 130p per Ordinary Share

and

Admission to trading on AIM

Nominated Adviser

KPMG Corporate Finance

Broker

BMO Capital Markets Limited

SHARE CAPITAL IMMEDIATELY FOLLOWING PLACING AND ADMISSION

Ordinary Shares of 1p each

Authorised		*Issued and fully paid*	
Number	*Amount*	*Number*	*Amount*
400,000,000	£4,000,000	141,173,471	£1,411,735

All the Placing Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares in issue and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

KPMG Corporate Finance, a division of KPMG LLP which is authorised and regulated by the FSA for the conduct of investment business in the United Kingdom, is acting as nominated adviser to the Company in connection with the matters set out in this document. KPMG Corporate Finance is not acting for any person other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or providing advice in relation to the contents of this document or any matter or for any arrangements described in this document.

BMO Capital Markets Limited, which is authorised and regulated in the United Kingdom by the FSA and is a member of London Stock Exchange plc, is acting exclusively for the Company, as broker, in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of BMO Capital Markets Limited or advising any other person on the Placing and the contents of this document or any matter referred to herein.

Neither KPMG Corporate Finance nor BMO Capital Markets Limited has authorised the contents of this document, or any part(s) of it, and no liability whatsoever is accepted by KPMG Corporate Finance or BMO Capital Markets Limited for the accuracy of any information or opinions contained in this document or for the omission of any information. Neither KPMG Corporate Finance nor BMO Capital Markets Limited is making any representation or warranty (express or implied) as to the contents of this document.

Neither this document nor the Ordinary Shares have been, and nor will they be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland or to or for the account or benefit of any national resident or citizen of, or any person located in, the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction or which would impose any unfulfilled registration, publication or approval requirements on the Company or BMO Capital Markets Limited.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Prospective investors should read the whole text and contents of this document and should be aware that an investment in the Company is speculative and involves a significant degree of risk. In particular, prospective investors' attention is drawn to Part 1 of this document entitled "Risk factors".

Copies of this document will be available to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) free of charge from the registered office of the Company, situated at Sydney Vane House, Admiral Park, St. Peter Port, Guernsey, GY1 2HU, the offices of the Company's adviser as to English law, Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP, United Kingdom and the Company's nominated adviser, KPMG Corporate Finance, 8 Salisbury Square, London EC4Y 8BB, United Kingdom, from the date of this document until the date being one month after the date on which Admission takes place, which is expected to be 19 May 2008.

CONTENTS

PLACING STATISTICS

Placing Price	130p
Total number of Placing Shares being issued pursuant to the Placing	34,615,000
Number of Ordinary Shares in issue immediately following Admission	141,173,471
Fully diluted number of Ordinary Shares in issue following Admission	145,879,266
Percentage of Enlarged Share Capital subject to the Placing	24.5%
Estimated gross proceeds of the Placing receivable by the Company	£45.0 million
Estimated net proceeds of the Placing receivable by the Company (exclusive of applicable VAT)	£40.5 million
Market capitalisation at the Placing Price on Admission	£183.5 million
Expected number of Warrants outstanding following Admission	2,865,795
ISIN of Ordinary Shares	GG00B2R9PM06

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	13 May 2008
Admission and commencement of dealings in Ordinary Shares on AIM	19 May 2008
CREST accounts credited (as applicable)	19 May 2008
Expected date of dispatch of definitive certificates for Ordinary Shares (as applicable)	2 June 2008

DIRECTORS, SECRETARY AND ADVISERS

Directors	William Peter Kidney (*Non-executive Chairman*) Kevin Eric John Broger (*Chief Executive Officer*) Heindrich Steven Ndume (*Country Director Namibia*) James Everett Burgess (*Commercial Director*) Adonis Pouroulis (*Non-executive Director*) Robert Archibald Gilchrist Sinclair (*Non-executive Director*) Norman Leighton (*Non-executive Director*)
Company Secretary	Artemis Secretaries Limited
Registered office	Sydney Vane House Admiral Park St. Peter Port Guernsey GY1 2HU
Nominated Adviser	KPMG Corporate Finance 8 Salisbury Square London EC4Y 8BB United Kingdom
Broker	BMO Capital Markets Limited 95 Queen Victoria Street London EC4V 4HG United Kingdom
Reporting accountant and auditors	BDO Stoy Hayward LLP 55 Baker Street London W1U 7EU United Kingdom
Competent Person	High Resolution Technology & Petroleum Ltda Av. Atlântica, 1130/7th Floor Copacabana CEP 22021-000 Rio de Janeiro Brazil

Legal advisers to the Company	***As to English law*** Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP United Kingdom	***As to Namibian law*** Lorentz Angula Incorporated LA Chambers Ausspann Plaza Dr. Agostino Neto Rd Windhoek Namibia
	As to Guernsey law Babbé PO Box 69 18-20 Smith Street St. Peter Port Guernsey GY1 4BL	
Legal advisers to the Nominated Adviser and the Broker	***As to English law*** Charles Russell LLP 8-10 New Fetter Lane London EC4A 1RS United Kingdom	***As to US law*** White & Case LLP 5 Old Broad Street London EC2N 1DW United Kingdom
	As to Canadian law Blake, Cassels & Graydon LLP 7th Floor, 10 Lloyd's Avenue London EC3N 3AX United Kingdom	
Financial public relations adviser	Hogarth Partnership Limited No. 1 London Bridge London SE1 9BG United Kingdom	
Registrars	Anson Registrars Limited PO Box 426 Anson Place Mill Court La Charroterie St. Peter Port Guernsey GY1 3WX	

SUMMARY INFORMATION

This summary highlights information contained elsewhere in this document. This summary does not contain all of the information prospective investors should consider before investing in Ordinary Shares. Prospective investors should read the whole document and not rely solely on the information in this "Summary information" section or any other summarised information in this document. In particular, prospective investors should consider carefully the risk factors set out in Part 1 of this document.

Overview

Chariot is the holding company for the Group which is involved in oil and gas exploration focusing on the South Atlantic margins, specifically Namibia, using state of the art technology for offshore exploration.

Through the acquisitions of Greendale and Enigma, the Group currently holds licences covering ten Blocks in Namibia, eight of which are offshore and two of which are onshore. All of these Blocks are currently in the exploration phase and in order to progress such exploration, the Group has engaged the services of a global petroleum system specialist, HRT Petroleum, as the Group's independent technical consultant. HRT Petroleum has carried out a petroleum system and hydrocarbon evaluation of the Blocks, analysing a significant amount of seismic and other data. Interpretation of this data has led to the identification of one Prospect and six Leads. Three of the Leads identified comprise a multi-layer Prospect and may be considered as such. The Group has developed a work programme that will enable the current Prospect and Lead inventory to be further explored.

Key features

The Directors consider that Chariot offers the following investment highlights:

- a portfolio of oil and gas exploration Licences in Namibia, both offshore and onshore;
- the engagement of HRT Petroleum, a global petroleum system specialist, who is applying the same suite of analysis tools which have previously led to large discoveries offshore Brazil;
- identification of one Prospect and six Leads to date. Three of the Leads identified comprise a multi-layer Prospect and may be considered as such;
- a mean prospective resource volume of 3.9 billion barrels of oil;
- a management team that has the exploration and commercial expertise to lead the development of the Group's assets; and
- preliminary discussions underway with a potential farm-out partner to provide funding, mitigate risk and expedite exploration and potential development.

History

Chariot was incorporated in Guernsey on 13 August 2007 and is the holding company for the Group formed by the acquisition of two early stage oil and gas exploration companies, Greendale and Enigma.

Strategy

In the short term, the Group's strategy is to explore the potential resources within its Blocks and to obtain further data to clarify the Prospect and Leads that have been identified by HRT Petroleum.

A critical element of the Group's strategy will also be to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. Preliminary farm-out discussions with a major oil company have been initiated by the Group. These discussions are at an early stage and there is no certainty that an agreement will be reached. Further funding, via a farm-out or otherwise, will be required by the Group to scale-up its exploration activities and to enable drilling to take place in the future.

In addition to the continued exploration and development of its existing Blocks, the Directors also intend to introduce production cash flows and other exploration opportunities in order to balance the Group's existing portfolio. The Directors' intention is primarily to remain focused on the South Atlantic margins to capitalise on its current and developing experience and expertise in this area.

The Group's assets

The Group currently holds licences covering ten Blocks in Namibia, eight of which are offshore and two of which are onshore.

The Namibian oil and gas sedimentary basins are relatively under-explored frontier basins for hydrocarbon accumulations. However, as Namibia is a conjugate margin to Brazil in the South Atlantic, it shares a common geological history and petroleum systems style.

The core team behind HRT Petroleum formerly worked at Petrobras, the Brazilian oil and gas company, and has extensive expertise in the South Atlantic margins. HRT Petroleum has developed specialist technologies which have led to large discoveries offshore Brazil and these are being applied to the Blocks.

The Group, by using HRT Petroleum's expertise and experience, has found a general similarity between the southern Brazilian giant petroliferous provinces, such as the Campos and Santos Basins, and the west Namibian margin basins. There are differences such as the absence of a specific salt sequence in offshore Namibia which resulted in a different evolution for some sediments and which consequently has affected trap formation and other characteristics. Nonetheless, it is more important to note that the rift and sag sequences are very similar to those observed in the greater Campos Basins, and as a result, one can predict possible exploration analogues offshore Namibia.

A summary of the Blocks is set out below:

Asset	*Licence*	*Operator*	*Interest per cent.*	*Status*	*Licence expiry date – first exploratory phase*	*Licence area km²*	*Comment*
Offshore basins							
Block 1811A	14	Enigma	100	Exploration	31 August 2010	5,481	
Block 1811B	14	Enigma	100	Exploration	31 August 2010	5,481	
Block 2312A	19	Enigma	100	Exploration	31 August 2010	16,801	Minimum four year exploration period
Block 2312B	19	Enigma	100	Exploration	31 August 2010		
N/2 of Block 2412A	19	Enigma	100	Exploration	31 August 2010		
N/2 of Block 2412B	19	Enigma	100	Exploration	31 August 2010		
Block 2714A	20	Enigma	100	Exploration	31 August 2010	5,481	
Block 2714B	15	Enigma	100	Exploration	31 August 2010	5,481	
Onshore basin							
Block 2518	21	Enigma	100	Exploration	31 August 2010	22,196	Minimum four year exploration period
Block 2618	21	Enigma	100	Exploration	31 August 2010		

Note: Table has been reproduced from the Competent Person's report, as set out in page 59 of this document.

Note: Enigma is ultimately wholly owned by the Company. Enigma holds the Licences and Petroleum Agreements and is the operator of the Blocks.

It should be noted that relative to other oil and gas regions such as Brazil and the Gulf of Mexico, Namibia has very large block allocations.

Competent Person's report

In connection with the Placing and Admission, the Company has commissioned a Competent Person's report from its independent technical consultant, HRT Petroleum. HRT Petroleum has identified one Prospect and six Leads within the Blocks based on the analysis of the available data including seismic and oil seep analysis. HRT Petroleum considers that three of the Leads identified comprise a multi-layer Prospect and may be considered as such.

Following the integration of all data collected to date, together with the application of a volumetric calculation, HRT Petroleum has predicted that the Prospect and the six Leads identified to date contain:

- a mean original oil in place of 15.7 billion barrels; and
- a mean prospective resource volume of 3.9 billion barrels of oil.

A summary of the Prospect and Leads identified are shown below, and are described in more detail in the Competent Person's report set out in Part 4 of this document.

Probabilistic volume method (Latin Hypercube – 5,000 iterations)	*Gross attributable to Licence in mmbbls*				*Net attributable to the Group in mmbbls*					
	Low estimate P90	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Prospect Zamba	335	793	1,816	968	335	793	1,816	968	14	Enigma
Lead Tapir	211	539	1306	675	211	539	1306	675	13	Enigma
Lead Scimitar	120	246	512	288	120	246	512	288	11	Enigma
Lead Mastodon	340	732	1502	856	340	732	1502	856	13	Enigma
Lead Mammoth	224	396	724	438	224	396	724	438	13	Enigma
Lead Woolly Rhino	51	173	606	258	51	173	606	258	13	Enigma
Lead Sabertooth Cat	208	378	670	417	208	378	670	417	11	Enigma
Total for oil and liquids*	**1,489**	**3,257**	**7,136**	**3,900**	**1,489**	**3,257**	**7,136**	**3,900**		

Note: Table has been reproduced from the Competent Person's report, as set out in page 45 of this document.

**The total for oil and liquids is not a summation – it has been probabilistically modelled.*

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Risk factor for prospective resources is the "geological chance of success" or "chance of discovery". Risk factors in the 11 to 14 per cent. range represent "relatively high risk" exploration.

Three of the Leads are located in close proximity to one another and an opportunity exists to develop these together. Accordingly, combined they may be considered to be one Prospect.

Probabilistic volume method (Latin Hypercube – – 5,000 iterations)	*Gross attributable to Licence in mmbbls*				*Net attributable to the Group in mmbbls*					
	Low estimate P90	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Combo 3 layer Prospect (Mast/Mam/Rhino)	127	496	1,161	582	127	496	1,161	582	27	Enigma

Note: Table has been reproduced from the Competent Person's report, as set out in page 45 of this document.

Related party transactions

The Group has entered into various related party transactions. Further details of these are set out in paragraph 13 of Part 7 of this document.

Reasons for the Placing and Admission

The primary purpose of the Placing is to raise sufficient funds to allow the Group to continue with the exploration of its Blocks, to develop the Prospect and Leads identified to date and to provide the Group with additional working capital to execute its business strategy outlined above and as further described in Part 2 of this document.

The Directors consider that Admission will be an important step in the Group's development and will enhance its standing in the market. It will also enable the Group to access finance which may be required in order to allow the Group to progress its current and future developments and, if the Board so determines, to expand in its chosen markets both organically and through selective acquisitions.

Use of proceeds

The Company is seeking to raise £40.5 million (after expenses) through the Placing which will be used to:

- continue the Group's current exploration programme and, in particular, to ensure that the Group is able to fulfil its work programme obligations according to the terms of its Licences. The proceeds on Admission are expected to fund the Group's work programme over the next two years;
- repay the Shareholder Loans;
- provide working capital and funds for general corporate purposes; and
- evaluate and potentially fund new projects.

Financial information on the Group

Historical financial information for the Group is set out in Part 5 of this document.

Current funding and liabilities

Enigma owes US$3.1 million to certain Shareholders. These loans are non interest bearing and are repayable (pursuant to the terms upon which Enigma was transferred to the Group) in full from the proceeds of the Placing on Admission. Further details on these agreements are set out in paragraph 11.8 of Part 7 of this document.

In February and March 2008, BMO placed £3.7 million Loan Notes (in aggregate) in two tranches on behalf of Chariot, providing the Group with sufficient working capital to continue its work programme and to prepare for Admission. The Loan Notes do not accrue interest and will automatically convert, in accordance with their terms, into Ordinary Shares on Admission at a price per Ordinary Share equal to 50 per cent. of the Placing Price. Further information relating to these Loan Notes is set out in paragraph 11.11 of Part 7 of this document.

The Company has an obligation to issue Ordinary Shares to Onslow (a previous owner of Greendale) on Admission to the value of £1.1 million at the Placing Price as a result of the agreement for the sale of Greendale to Namquest dated 24 May 2007. This agreement was novated to Chariot in January 2008 as part of the agreement between Namquest and Chariot in respect of the acquisition of Greendale. Further information relating to this agreement with Onslow is set out in paragraph 11.5 of Part 7 of this document.

Current trading and prospects

The Company is not currently generating operating revenues. The Directors believe that the Group is well placed to enhance the value of its assets through continued exploration and the potential development of its Blocks.

Liquidity and financing

The Group will need to raise additional finance in order to fund exploration drilling and the potential development of its existing Blocks, to increase its current exploration acreage and geographic locations and to build a portfolio combining production cash flows and other exploration plays.

A critical element of the Group's strategy will be to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. Preliminary farm-out discussions with a major oil company have been initiated by the Group. These discussions are at an early stage and there is no certainty that an agreement will be reached.

Following conversion of the Loan Notes into Ordinary Shares, repayment of the Shareholder Loans and the issue of Ordinary Shares to Onslow, which are conditional upon Admission, the Group will have no material external indebtedness.

Dividend policy

The Company has not declared or paid any dividends since its incorporation. The payment of dividends in the initial years following Admission is unlikely as it is the intention of the Directors to use available funds

to achieve capital growth. The dividend policy will be reviewed in the later stages of the Company's development as and when applicable in light of the availability of cash and distributable reserves.

Lock-in and orderly market arrangements

Each of (a) the Directors, Substantial Shareholders and their respective associates who hold Ordinary Shares (as defined in the AIM Rules for Companies), as required by Rule 7 of the AIM Rules for Companies ("Rule 7") and (b) certain employees and consultants of the Group and other Shareholders, each of whom are not subject to Rule 7, have agreed not to sell, transfer, charge, grant any option over or otherwise dispose of any interest in Ordinary Shares or other securities of the Company that they hold immediately following Admission or acquire (other than in certain limited circumstances permitted by the AIM Rules for Companies, including the acceptance of a takeover offer and the execution of an irrevocable commitment to accept a takeover offer) during the Lock-In Period.

At the date of this document, these arrangements cover 80,551,779 Ordinary Shares comprising, in aggregate, 57 per cent. of the Enlarged Share Capital.

The Directors and Substantial Shareholders, their respective associates, certain other Shareholders and the employees and consultants subject to lock-ins have each further undertaken that for a further period of twelve months immediately following the end of the Lock-In Period, they will effect a sale of their Ordinary Shares only with the prior written consent of the Company, KPMG Corporate Finance (so long as KPMG Corporate Finance is the Company's nominated adviser at such time) and BMO (so long as BMO is the Company's broker at such time), and any such disposal will be made through BMO with a view to maintaining an orderly market in the Ordinary Shares.

Share options

The Board has adopted two Plans to appropriately incentivise the Directors, other key employees and consultants of the Group. A summary of the key terms of both Plans and the options granted pursuant to these Plans are disclosed in paragraph 4 of Part 7 of this document.

Risk factors

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS REFERRED TO IN PART 1 OF THIS DOCUMENT.

PART 1

RISK FACTORS

Prospective investors should carefully consider all of the information in this document, including the following risk factors that affect (or might affect) the current and intended activities of the Group, prior to making an investment in the Company. The exploration and development of natural resource projects is a speculative activity that involves a high degree of financial risk.

If any of the circumstances identified herein were to materialise, together with possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Group's business (current or intended), the Group's financial condition and operating results could be materially affected. In such cases, the price of the Ordinary Shares (and the value or marketability of the Group's assets) could decline, and investors may lose all or part of (or otherwise be unable to realise) their investment. An investment in the Company may not be suitable for all recipients of this document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

Risks specific to Chariot

Lack of operating history

Chariot is a recently formed company with no operating history upon which prospective investors may base an evaluation of future performance.

Dependence on key personnel

The success of the Group, in common with other businesses of a similar size, will be dependent on the expertise and experience of its directors and senior management. The loss of any key personnel could harm the business or cause delay in the plans of the Group whilst management time is directed at finding suitable replacements. The future success of the Group is in part dependent upon its ability to identify, attract, motivate and retain staff with the requisite experience. Measures are in place to reward and retain key individuals and to protect the Group from the impact of staff turnover. However, risks in this area cannot be eliminated.

Future results, farm-out strategy and additional requirement for capital

Chariot's expenditure is likely to exceed its income for the next 24 months. Although the Directors have confidence in the Group's ability to generate future revenues, there can be no certainty that the Company will achieve or sustain such revenues, or become profitable or cash flow positive from its operating activities. Due to the speculative nature of exploration and production, it may not always be possible for the Group to forecast accurately its cash flows, operating costs and economic returns.

A critical element of the Group's strategy is to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. However, such an agreement may not be forthcoming or may not be forthcoming on terms and conditions that are acceptable to the Group. If this is the case, significant further funding will be required to continue the Group's activities.

Actual future production, oil and gas prices, revenues, taxes and duties, transportation costs, capital expenditures and operating expenses and geological success will all be factors which have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. If Chariot is unable to obtain additional financing as and when needed, it may be required to reduce the scope and extent of its operations or anticipated expansion.

Licences

The Licences are valid for an initial period of four years and may subsequently be renewed for not more than two periods of two years each, save as referred to below. The Licences and the associated Petroleum Agreements impose certain obligations on the Group to carry out an agreed work programme. If the Group is unable to deliver on its obligations through lack of funds or as a result of other circumstances, the validity or ownership of some or all of the Licences may be put at risk. The Licences are also valid for a limited period and there is a risk that the Licences may not be renewed. On the first and second renewal of a Licence, Chariot will be required to relinquish 50 per cent. and then a further 25 per cent. of the original exploration area to which the Licence relates. The MME may renew the Licence on a third occasion for a period not exceeding two years, if they deem it to be in the interest of the development of petroleum resources in Namibia.

The accounting value of the Licences may not reflect their economic value or potential.

Exploration

The Group's assets comprise onshore and offshore Licences which are at an early exploration stage and there can be no certainty that oil and gas resources will be discovered. The exploration for, and development and production of, oil and gas assets involve a material degree of financial risk and, particularly, in the exploration phase is highly speculative. The future value of the Ordinary Shares is largely dependent on the success or otherwise of the Group's activities, which are directed towards the exploration and development of oil and gas resources. Whilst the Group will seek to apply the latest proven technology to assess its current and prospective Licences, exploration for, and development of, hydrocarbons is speculative and involves a significant degree of risk. While the rewards can be substantial, there is no guarantee that exploration by the Group will lead to a commercial discovery or, if there is such discovery, that the Group will be able to realise such resources as intended. Negative results from initial exploration programmes may result in downgrading of the prospective resources estimated in this document. As a result, an area may therefore be considered not to merit further investment and all or part of a Licence may be surrendered (subject to approval of the licensing authorities) prior to the drilling of any exploration wells. If at any stage the Group is precluded from pursuing its exploration or production programmes, or decides not to continue with any of these, this is likely to have an adverse effect on the value of investors' holdings and of the Group's assets.

Reliance on third parties

In the course of the exploration and development of the Group's assets, the Group may contract with third parties for commercial evaluation and support, equipment and services. The failure of a third party to properly or timeously perform its obligations or such services not being of the requisite standard could subject the Group to additional costs, delays or abandonment of the projects.

Limited geographical diversification

The geographic concentration of the majority of the Licences in Namibia means that some or all of the Licences could be affected by the same event, should Namibia experience:

(a) severe weather or environmental conditions, including tropical storms, hurricanes or tsunamis;

(b) delays or decreases in production, the availability of equipment, facilities or services;

(c) delays or decreases in the availability of capacity to transport, gather or process production; or

(d) changes in the regulatory environment.

Some or all such Licences could experience the same condition at a similar time and these conditions could have a relatively greater impact on results of operations than they might have on other operators who are more geographically diverse.

Taxation

The Group operates in various jurisdictions and its business is subject to the effect of future changes to tax legislation and practice. Any change in the current tax status of the Company or any member of the Group or in applicable taxation legislation or regulations in any relevant jurisdiction could affect the Group's business, financial condition and prospects and the Company's ability to provide returns to Shareholders. This will depend, in part, on:

- the nature of the Group's income and activities in these jurisdictions (carried on by employees of the Group or by service providers on behalf of the Group), including intra-group transactions; and
- the attitude of the tax authorities in these jurisdictions.

Tax losses in Namibia are ring-fenced on a Licence by Licence basis and hence losses relating to a specific project will have no value or benefit if that licence fails to generate taxable profits.

The taxation of an investment in the Company depends on the individual circumstances of the investor.

Foreign exchange

The Company's funding requirements for the next twelve months will be satisfied by the Placing proceeds which will be raised in sterling while it is expected that the majority of the Group's financial obligations will, at least for the next 24 months, be denominated in United States dollars. There is therefore a risk that foreign exchange rate movements will impact the funds available to the Group in United States dollars.

Chariot has not engaged in foreign exchange hedging to minimise any exchange rate risk.

Substantial Shareholders

Certain existing Shareholders will own a significant proportion of the Enlarged Share Capital. This could delay or prevent an outside party from acquiring or merging with the Company should any of these Shareholders choose not to support the transaction. The ability of such Shareholders to prevent or delay such transactions could cause the price of the Ordinary Shares to decline.

Industry specific risks

Exploration and drilling

Exploration and development activities may be delayed or adversely affected by factors outside the control of the Group. These include adverse climatic or geological conditions, the performance of joint venture or farm-out partners or other third parties on whom the Group may be or may become reliant, compliance with governmental requirements (or delays). In addition, the availability of drilling rigs and other equipment and the cost of this equipment may affect the ability of the Group to continue the exploration and development of its Blocks required to meet its Licence obligations. These factors could result in the Group's activities being delayed or abandoned and sustained losses could be incurred. These factors could also adversely affect the value of the Group's assets and the Ordinary Shares.

Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells which, though yielding some oil or gas, are not sufficiently productive to justify commercial development or cover operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Operational risks

Substantial operational risks are involved in the exploration and the drilling for, development of and production from, oil and gas fields, including blow-outs, cratering, explosions, pollution, seepage or leaks, fire, earthquake activity, unusual or unexpected geological conditions and other hazards which may delay, or ultimately prevent, the exploitation of such fields or may result in cost overruns or substantial losses to the Group due to substantial environmental pollution or damage, personal injury or loss of life, clean up responsibilities, regulatory investigation and penalties or suspension of operations. Such hazards can also severely damage or destroy equipment, surrounding areas or property of third parties. Damage or loss occurring as a result of such risks may give rise to claims against the Group. Although the Group proposes to maintain insurance which the Directors consider to be appropriate in accordance with industry practice, there may be circumstances where the Group's insurance or that of the operator of a field will not cover or be adequate to cover the consequences of such events or where the Group may become liable for pollution or other operational hazards against which it either cannot insure or may have elected not to have insured on account of high premium costs or otherwise. Moreover, there can be no assurance that the Group will be able to maintain adequate insurance in the future at rates the Directors consider reasonable.

Estimates

This document contains estimates of the Group's hydrocarbon prospective resources. This process requires significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir and is therefore inherently imprecise.

Actual future production, oil and gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and gas resources will most likely vary from those estimated. Any significant variance could materially affect the estimated quantities of potential resources set forth in this document. The Group's assets may also be susceptible to hydrocarbon drainage from future production by other operators on adjacent properties. In addition, the Group may adjust estimates of resources to reflect production history, results of exploration and development, prevailing oil and natural gas prices and other factors, many of which are beyond its control.

Market risk

In the event of successful development of oil and gas resources, the scale of production from such developments will be dependent upon factors over which the Group has no control such as market conditions at that time, access to, and the operation of, transportation and processing infrastructure, the available capacity levels and tariff payable by the Group for such infrastructure and the granting of any Licences or quota the Group may require from the relevant regulatory authority. All of these factors may result in delays in production, additional cost or a reduction in expected revenues for the Group. Therefore, there is a risk that the Group may not make a commercial return on its investment.

Competition

The oil and gas industry is very competitive and the Group will face competition in the countries within which it will conduct its activities. Some of the Group's competitors have access to greater financial and technical resources which may convey to them a competitive advantage. As a result, the Group may not be able to gain access to future growth opportunities.

Volatility of prices for oil and gas

The future viability of the Group's business and strategic plans is strongly correlated with the demand for, and prices of, oil and gas. Such demand and prices are highly dependent on a variety of factors, including international supply and demand, the level of consumer demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. Geographic location and a lack of adequate infrastructure may also result in any oil or gas produced being sold at a discount to world market prices for oil and gas. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future.

Namibia specific risks

Economic and political

The Group's current interests are in Namibia, southern Africa, where there may be a number of associated risks over which it will have no, or limited, control. Namibia gained political independence from South Africa in 1990 and, as such, the country has limited history as an independent republic. Risks associated with this may include contract and Licence re-negotiation, Licence or contract cancellations, economic, social, or political instability or change, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing and petroleum export licensing and export duties as well as government control over domestic oil and gas pricing.

Black Economic Empowerment legislation in Namibia

There is currently no legislation on Black Economic Empowerment ("**BEE**") in Namibia. In July 2004, the Office of the Prime Minister announced that it was having consultations on the content of a BEE policy and its legislative framework for the country. It was stated that once consultations had been finalised, the draft policy document would be presented to the Cabinet for approval and thereafter for drafting into a Bill which would then be presented to Parliament. It could take some time before a BEE policy in Namibia is finalised.

Any BEE policy eventually enacted in Namibia could potentially have an impact on the Group's activities and ownership in the country.

Governmental relationships

The Group's business and strategy depends, to a material degree, on maintaining positive working relationships with the MME. It is the Directors' view that they currently have strong working relations with the MME and the Namibian government as a whole. However, the Group's business and strategy may be adversely and materially affected if its relationship with the MME deteriorates in the future as a result of personnel changes within the Group or within the MME, as a result of changes to the political environment or for any other reason.

Namibian operational risks

There are currently no oil and natural gas gathering systems, pipelines and processing facilities in Namibia and this may affect the economic viability of any discoveries. Regulation of oil and gas production and transportation, general economic conditions and changes in supply and demand could also adversely affect the Company's ability to produce and market any discoveries of oil and gas. The availability of markets and the volatility of product prices are beyond the control of the Group and represent a significant risk.

Future elections

Since its political independence in 1990, Namibia has enjoyed political stability and a democratically elected government. However, in the event of a change of government, as a result of elections scheduled for 2009, there may be policy shifts in Namibia which could lead to political instability and adverse effects on the Group.

Geological risks

The Namibian offshore basins are a frontier early stage exploration opportunity and as such there are a variety of geological risks as discussed within the Competent Person's report at page 54 and page 55, including that:

- the extent and thickness of reservoir rock has not been established due to the lack of well control;
- the coarse grid 2D seismic data may be considered insufficient to fully define the reservoir geometries of the turbidite Leads;
- the existing wells penetrate source rock intervals, although they are immature;
- the absence of salt south of the Walvis Ridge impacts the analogy of the trapping geometries observed in Brazil, however, this is countered by the less tourtuous migration pathways from the source rocks to the reservoirs.

These factors could adversely affect the chance of success that has been calculated for the Prospect and Lead inventory.

General risks

Force majeure

The Group's projects may be adversely affected by risks outside of its control including amongst other things, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Transition to a publicly quoted company

The change to a publicly quoted company whose shares are admitted to trading on AIM will require some cultural changes, increased awareness of the requirements of being a publicly quoted company and a requirement to ensure that staff satisfy a number of new requirements, including the AIM Rules, disclosure and financial reporting requirements and enhanced corporate governance obligations and expectations. Whilst the Board will make every effort to manage the transition successfully, there can be no assurance that

the Group will be able so to do, and such failure so to do could have a material adverse effect on the Group's business, financial condition and/or operating or financial results.

Trading and performance of Ordinary Shares

The AIM Rules are less demanding than those of the Official List and an investment in shares that are listed on AIM is likely to carry a higher risk than an investment in shares on the Official List. Admission to trading on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. It may be more difficult for investors to realise their investment on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded early stage exploration companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect early stage oil and gas exploration companies or quoted companies generally. The market perception of early stage oil and gas exploration may impact on the value of investors' holdings and on the ability of the Company to raise funds by the issue of further securities. The value of Ordinary Shares will be dependent upon the success of the exploration activities undertaken by the Company and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

The Takeover Code may not apply to the Company

Although the Company is incorporated in Guernsey, the Panel may deem that its place of central management and control is not within the United Kingdom, the Channel Islands or the Isle of Man, in which case neither a takeover offer nor certain stakebuilding activities in the Company would be governed by the Takeover Code or regulated by the Panel.

The Company has incorporated certain provisions in its Articles which seek to provide Shareholders with certain protections otherwise afforded by the Takeover Code in respect of companies to which the Takeover Code applies. These provisions will not provide the full protections afforded by the Takeover Code, and like others contained in the Articles, are enforceable by the Company (acting through the Directors) against Shareholders. However, any action to enforce such provisions by the Board on behalf of the Company could be subject to challenge in the courts of Guernsey without any guarantee that any such action of the Board would be upheld in a Court. Further details of the relevant provisions of the Company's Articles are set out in paragraph 7.15 of Part 7 of this document.

Restrictions on transfer under the US Securities Act

The Ordinary Shares have not been registered under the US Securities Act. The Ordinary Shares are being offered only in transactions exempt from the registration requirements of the US Securities Act. The Ordinary Shares may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any person in the United States unless the transfer is registered under the US Securities Act or an exemption from the registration requirements is available or under transactions specified by Regulation S promulgated under the US Securities Act. Only the Company is entitled to register the Ordinary Shares under the US Securities Act and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration will be available to any subscribers for or purchasers of Ordinary Shares. Each subscriber for Ordinary Shares by subscribing for the Ordinary Shares agrees to re-offer or resell them only in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from the registration requirements of the US Securities Act. The above restrictions severely restrict purchasers of Ordinary Shares from reselling the Ordinary Shares in the United States or to a person in the United States. The Ordinary Shares will not be admitted for trading on Nasdaq or on any US securities exchange.

Canadian transfer restrictions

The distribution of the Ordinary Shares in Canada is being made only on a private placement basis exempt from the requirement that the issuer prepare and file a prospectus with the applicable securities regulatory authorities. The securities being offered pursuant to this document are not listed on any stock exchange in Canada and there is currently no public market for such securities in Canada. Chariot is not a reporting issuer

within the meaning of applicable Canadian securities laws and is therefore exempt from compliance with any disclosure obligations that may be applicable to other Canadian public companies. Chariot currently has no intention of filing a prospectus with any securities regulatory authority in Canada to qualify the resale of its Ordinary Shares to the public, or listing its Ordinary Shares on any stock exchange in Canada. Accordingly, to be made in accordance with securities laws, any resale of the Ordinary Shares in Canada must be made under available statutory exemptions from registration and prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. The above restrictions may severely restrict Canadian purchasers of Ordinary Shares from reselling the Ordinary Shares in Canada.

Forward looking statements

All statements other than statements of historical fact, contained in this document constitute ''forward looking statements''. In some cases forward looking statements can be identified by terms such as ''may'', ''intend'', ''might'', ''will'', ''should'', ''could'', ''would'', ''believe'', ''anticipate'', ''expect'', ''estimate'', ''predict'', ''project'', ''potential'', or the negative of these terms, and similar expressions. Such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in this Part 1 ''Risk Factors''. New factors may emerge from time to time that could cause the Company's business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements except as required by law. Save as required by law, the Company disclaims any obligation to update any such forward looking statements in this admission document to reflect future events or developments. The specific and general risk factors detailed above do not include those risks associated with the Company which are unknown to the Directors.

PART 2

INFORMATION ON THE COMPANY

1. Overview

Chariot is the holding company for the Group which is involved in oil and gas exploration focusing on the South Atlantic margins, specifically Namibia, using state of the art technology for offshore exploration.

Through the acquisitions of Greendale and Enigma, the Group currently holds licences covering ten Blocks in Namibia, eight of which are offshore and two of which are onshore. All of these Blocks are currently in the exploration phase and in order to progress such exploration, the Group has engaged the services of a global petroleum system specialist, HRT Petroleum as the Group's independent technical consultant. HRT Petroleum has carried out a petroleum system and hydrocarbon evaluation of the Blocks, analysing a significant amount of seismic and other data. Interpretation of this data has led to the identification of one Prospect and six Leads. Three of the Leads identified comprise a multi-layer Prospect and may be considered as such. The Group has developed a work programme that will enable the current Prospect and Lead inventory to be further explored.

In the short term, the Group's strategy is to explore the potential resources within its Blocks and to obtain further data to clarify the Prospect and the Leads that have been identified by HRT Petroleum.

A critical element of the Group's strategy will also be to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. Preliminary farm-out discussions with a major oil company have been initiated by the Group. These discussions are at an early stage and there is no certainty that an agreement will be reached. Further funding, via a farm-out or otherwise, will be required by the Group to scale-up its exploration activities and to enable drilling to take place in the future.

In addition to the continued exploration and development of its existing Blocks, the Directors also intend to introduce production cash flows and other exploration opportunities in order to balance the Group's existing portfolio. The Directors' intention is primarily to remain focused on the South Atlantic margins to capitalise on its current and developing experience and expertise in this area.

2. Namibia

Namibia is located on the Atlantic coast of southern Africa. It shares borders with Angola and Zambia to the north, Botswana to the east and South Africa to the south (see Figure 1, below). Namibia is an ethnically diverse republic which gained political independence from South Africa in 1990. Since becoming independent, Namibia has operated as a stable democracy and the country currently has a population of approximately 2.1 million people. The Namibian government has also pursued free-market principles designed to promote commercial development and has actively encouraged foreign investment. The Namibian Foreign Investment Act, which was passed in 1990, provides for freedom from nationalisation, freedom to remit capital and profits, currency convertibility and a process for settling disputes equitably. Namibia's 2007 gross domestic product was US$6.7 billion and its gross domestic real growth rate was 4.5 per cent. *(Source: Central Intelligence Agency World Fact Book.)* Namibia has a country risk profile of BBB, putting it on a par with Brazil and South Africa (*Source: Economist Intelligence Unit)*.

Namibia has a variety of natural resources and is a significant producer of diamonds, uranium, zinc and copper. The country is also a source of gold, lead, silver, tin, vanadium, gemstones, tantalite, phosphate, sulphur, and salt. The economy of Namibia is currently heavily dependent on the extraction and processing of such minerals for export and at present, mining, being its second largest industry, represents some 20 per cent. of Namibia's gross national product. A number of major resource companies are already operating in Namibia including Anglo American plc, Areva CI, BHP Billiton Limited, De Beers SA and Rio Tinto plc.

Figure 1: Map of Namibia

Source: Central Intelligence Agency World Factbook

3. Namibian oil and gas resources

The Namibian oil and gas sedimentary basins are relatively under-explored frontier basins for hydrocarbon accumulations. To date, there has been a total of 14 wells drilled offshore Namibia. Of these, seven were classified as exploratory while seven were development or appraisal wells in the Kudu field, which is so far the only commercial hydrocarbon system discovery offshore Namibia. Five of the seven exploration wells were drilled in shallow waters. The only two deep water wells drilled up to now, are located in the Walvis Basin (well 2012/13-1 which was drilled by Sasol in 1995) and in the Lüderitz Basin (well 2513/8-1 which was drilled by Norsk Hydro in 1998). These wells were not found to contain the necessary evidence to support further exploration in these areas.

Over the past four years, in the Directors' opinion, there has been increasing interest in Namibia as a prospective region for oil and gas exploration driven by enhanced global deep water offshore experience and expertise, improved gas prices and demand for gas off-takes, and there is new evidence which suggests that Namibia may have oil resources as well as gas. The offshore Namibian basins can also be considered strategically important, being located in close proximity to South Africa's energy market.

The Kudu field, as the only proven hydrocarbon system offshore Namibia to date, is located in the southern portion of offshore Namibia off the mouth of the Orange River. The field is thought to contain over 3 trillion cubic feet of gas (source: Tullow Oil). With power shortages facing the southern African region, the Namibian government has committed to the development of this field.

As Namibia is a conjugate margin to Brazil in the South Atlantic (see Figure 2, below), it shares a common geological history and petroleum system style.

Figure 2: Correlation of oils between South America and Western Africa

Source: HRT Petroleum

The Namibian offshore basins are located in the south-eastern part of the South Atlantic margin (on the west Africa side) and extend from land out to the 3,000 metre isobath. These basins are directly related to the rifting of the African and the South American plates during the Lower Cretaceous period. Evolution of the South Atlantic started in the Jurassic era with a rift system that evolved into the passive margin basins of the present day.

The core team behind HRT Petroleum formerly worked at Petrobras, the Brazilian oil and gas company, and has extensive expertise in the South Atlantic margins. HRT Petroleum has developed specialist technologies which have led to large discoveries offshore Brazil and these are being applied to the Blocks.

The Group, using HRT Petroleum's expertise and experience, has found a general similarity between the southern Brazilian giant petroliferous provinces, such as the Greater Campos and Santos Basins, and the west Namibian margin basins. The absence of a specific salt sequence (Aptian) in offshore Namibia has resulted in a different evolution for some sediments (post Aptian) which consequently has affected trap formation and other characteristics. However, importantly, the rift and sag sequences are very similar to those observed in the Greater Campos Basin. As a result, one can predict possible exploration analogues offshore Namibia.

In the southern Brazilian petroliferous provinces, there have recently been some significant discoveries of hydrocarbon reserves in the deeper horizons of the Greater Campos Basin, estimated to hold between 12 and 30 billion barrels or more of oil equivalent in three fields *(Source: BG Group)*. Such discoveries were achieved further to the drilling of over 1,100 exploratory wells in the Campos Basin and 117 wells in the Santos Basin.

Only two deep water wells have been drilled in offshore Namibia to date, it is therefore, at present, a highly under-explored region. However, the Directors consider that evidence of the presence of identical elements and processes of active petroleum systems, coupled with the application of HRT Petroleum's proven technology enhances the opportunity presented by the Group's assets.

In particular, there is both direct and indirect evidence in Namibia of the presence of the same source rocks to those of the Brazilian counterpart basins with respect to their depositional sequences, rock types and oil fingerprinting. Direct evidence includes the penetration of organic-rich, high total organic carbon intervals

in exploration and deep sea drilling project wells, penetrations of potential reservoir zones with shows of oil and gas, and the accumulation of gaseous and liquid hydrocarbons in the Kudu field. Indirect evidence includes potential gas chimneys and gas hydrate zones recognised on seismic data, and the presence of oil seeps detected using RADARSAT imagery.

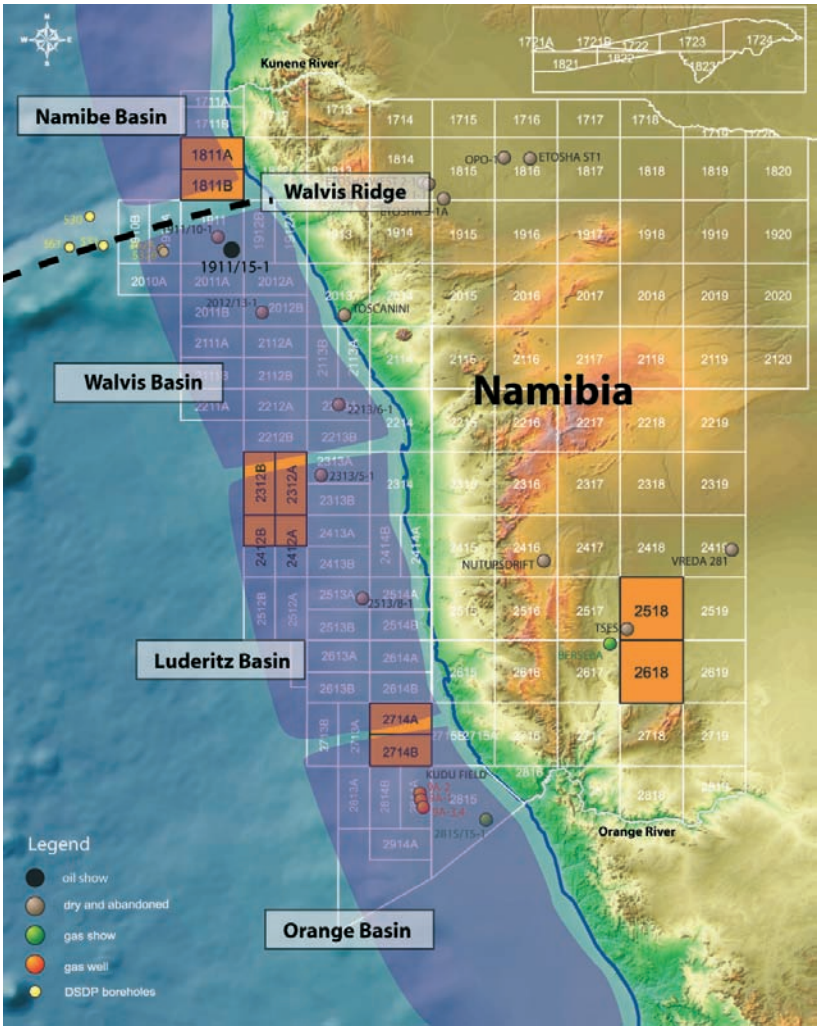
Other companies that are already operating offshore of Namibia include BHP Billiton Limited, Hunt Oil Co, Neptune Petroleum Limited and Sintezneftegaz Namibia Limited. In 2007, Sintezneftegaz Namibia Limited announced its intention to drill a new exploration well in Block 1711 situated in the Namibe basin off the northern coast of Namibia and drilling commenced in April 2008.

4. The Group's assets

The Group currently holds licences covering ten Blocks in Namibia, eight of which are offshore and two of which are onshore.

Chariot's offshore Blocks are located along the coast of Namibia and are bordered by the paleodepositional systems of the Kunene River to the north and the Orange River to the south. The onshore Blocks are located in the south of the country in the Nama basin. The locations of the Blocks are shown in Figure 3, below.

Figure 3: Map illustrating the location of the Blocks



Source: HRT Petroleum

A summary of the Blocks is set out in Table 1, below:

Table 1: Summary table of the Blocks

Asset	*Licence*	*Operator*	*Interest per cent.*	*Status*	*Licence expiry date – first exploratory phase*	*Licence area km²*	*Comment*
Offshore basins							
Block 1811A	14	Enigma	100	Exploration	31 August 2010	5,481	
Block 1811B	14	Enigma	100	Exploration	31 August 2010	5,481	
Block 2312A	19	Enigma	100	Exploration	31 August 2010	16,801	Minimum four year exploration period
Block 2312B	19	Enigma	100	Exploration	31 August 2010		
N/2 of Block 2412A	19	Enigma	100	Exploration	31 August 2010		
N/2 of Block 2412B	19	Enigma	100	Exploration	31 August 2010		
Block 2714A	20	Enigma	100	Exploration	31 August 2010	5,481	
Block 2714B	15	Enigma	100	Exploration	31 August 2010	5,481	
Onshore basin							
Block 2518	21	Enigma	100	Exploration	31 August 2010	22,196	Minimum four year exploration period
Block 2618	21	Enigma	100	Exploration	31 August 2010		

Note: Table has been reproduced from the Competent Person's report, as set out in page 59 of this document.

Note: Enigma is ultimately wholly owned by the Company. Enigma holds the Licences and Petroleum Agreements and is the operator of the Blocks.

It should be noted that relative to other oil and gas regions such as Brazil and the Gulf of Mexico, Namibia has very large Block allocations.

In order to explore and develop its Blocks, the Group has appointed the global petroleum system specialist HRT Petroleum as its independent technical consultant and Competent Person. HRT Petroleum has extensive experience of the application of deep water technologies in the discovery of new oil and gas fields from its prior work on the South Atlantic margins (primarily in Brazil but also in western Africa). The exploration focus to date has been to use the expertise and state of the art technology of HRT Petroleum to build a basin model for Namibia. HRT Petroleum has identified one Prospect and six Leads within the Blocks based on the analysis of the available data including seismic and oil seep analysis. Three of the Leads identified may comprise a multi-layer Prospect and may be considered as such.

Following the integration of all data collected to date, together with the application of a volumetric calculation, HRT Petroleum has predicted that the Prospect and the six Leads identified to date contain:

- a mean original oil in place of 15.7 billion barrels; and
- a mean prospective resource volume of 3.9 billion barrels of oil.

A summary of the Prospect and Leads identified are shown in Table 2, below, and are described in more detail in the Competent Person's report set out in Part 4 of this document.

Table 2: Summary of prospective resources for the Group's assets

	Gross attributable to Licence in mmbbls				*Net attributable to the Group in mmbbls*					
Probabilistic volume method (Latin Hypercube – 5,000 iterations)	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Prospect Zamba	335	793	1,816	968	335	793	1,816	968	14	Enigma
Lead Tapir	211	539	1306	675	211	539	1306	675	13	Enigma
Lead Scimitar	120	246	512	288	120	246	512	288	11	Enigma
Lead Mastodon	340	732	1502	856	340	732	1502	856	13	Enigma
Lead Mammoth	224	396	724	438	224	396	724	438	13	Enigma
Lead Woolly Rhino	51	173	606	258	51	173	606	258	13	Enigma
Lead Sabertooth Cat	208	378	670	417	208	378	670	417	11	Enigma
Total for oil and liquids*	**1,489**	**3,257**	**7,136**	**3,900**	**1,489**	**3,257**	**7,136**	**3,900**		

Note: Table has been reproduced from the Competent Person's report, as set out in page 45 of this document.

**The total for oil and liquids numbers is a summation – it has been probabilistically modelled.*

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Risk factor for prospective resources is the "geological chance of success" or "chance of discovery". Risk factors in the 11 to 14 per cent. range represent "relatively high risk" exploration.

Three of the Leads are located in close proximity to one another and an opportunity exists to develop these together. Accordingly, combined they may be considered to be one Prospect.

Probabilistic volume method (Latin Hypercube – – 5,000 iterations)	*Gross attributable to Licence in mmbbls*				*Net attributable to the Group in mmbbls*					
	Low estimate P90	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Combo 3 layer Prospect (Mast/Mam/Rhino)	127	496	1,161	582	127	496	1,161	582	27	Enigma

Note: Table has been reproduced from the Competent Person's report, as set out in page 45 of this document.

Such estimates have been derived using a probabilistic simulation methodology. Input parameters for reservoir parameters, such as area, porosity, oil saturation, formation volume and recovery factors were determined based on analogue fields from Brazil and a real estimation from seismic mapping and depth conversion on the Prospects and Leads. The simulation modelling was run using a Latin Hypercube method with 5,000 iterations.

5. Licences

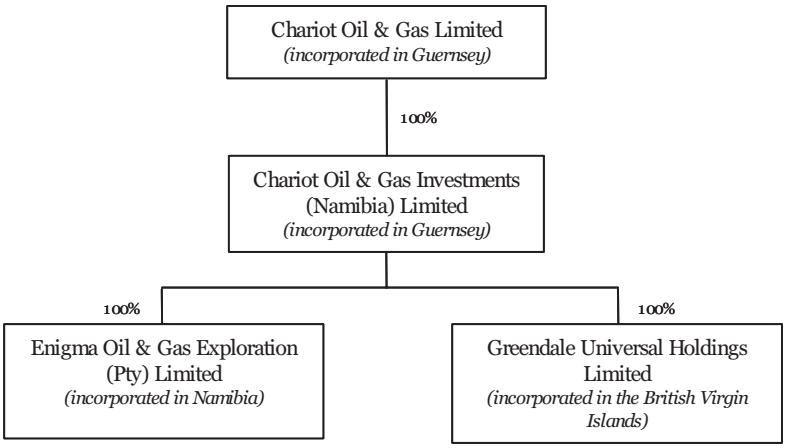
The Licences and associated Petroleum Agreements each specify a work programme that must be carried out by the Group during the initial period of each Licence and on subsequent renewals. The Petroleum Act also imposes certain requirements on a licencee and sets out, *inter alia*, the procedure for the application for a Production Licence and the payment of production royalties. Details of the requirements for each of the Licences are set out in Part 3 of this document, along with an overview of certain relevant provisions of the Petroleum Act.

6. History and development of the Group

Chariot was incorporated in Guernsey on 13 August 2007 and is the holding company for the Group formed by the acquisition of two early stage oil and gas exploration companies, Greendale and Enigma.

The current structure of the Group is set out in Figure 4 below:

Figure 4: Group structure



Chariot is the holding company of the Group, with Chariot Investments being an intermediate holding company. All subsidiaries are 100 per cent. owned and controlled by Chariot.

Namquest was incorporated on 17 April 2007 as a special purpose vehicle to acquire the share capital of Greendale from its then owner, Onslow. On 24 May 2007, Namquest acquired the entire issued share capital of Greendale and issued US$7 million convertible loan notes to fund the acquisition and its ongoing obligations.

On 7 January 2008, the Group acquired the entire issued share capital of Enigma from ICM, Westward, Protech and Credit Suisse Nominees Limited in exchange for 52,234,653 Ordinary Shares. As part of the

acquisition of Enigma, the Company agreed to repay US$3.1 million of shareholder loans owed by Enigma to ICM and Westward. By further agreement dated 7 January 2008, the Company acquired all of the assets of Namquest, including the shares of Greendale, in consideration for which it assumed certain liabilities of Namquest, including Namquest's obligations under the US$7 million convertible loan notes (which have been subsequently converted into Ordinary Shares) and an obligation to issue Ordinary Shares to Onslow on Admission to a value of £1.1 million at the Placing Price.

Greendale held two of the Licences and was party to two related Petroleum Agreements, which were transferred to Enigma. As a result of these arrangements, Enigma holds all of the Licences and the related Petroleum Agreements. Greendale does not have any trading activities.

In early 2008, the Company completed a £3.7 million convertible Loan Note fundraising in two tranches: £2.7 million, which was completed on 13 February 2008; and £1 million, which was completed on 27 March 2008. The Loan Notes will, in accordance with their terms, automatically convert into Ordinary Shares upon Admission at a price per Ordinary Share equal to 50 per cent. of the Placing Price.

Further details of the contracts and arrangements referred to above are set out in Part 7 of this document.

7. Strategy

In the short term, the Group's strategy is to explore the potential resources within its Blocks and to obtain further data to clarify the Prospect and the Leads that have been identified by HRT Petroleum.

A critical element of the Group's strategy will also be to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. Preliminary farm-out discussions with a major oil company have been initiated by the Group. These discussions are at an early stage and there is no certainty that an agreement will be reached. Further funding, via a farm-out or otherwise, will be required by the Group to scale-up its exploration activities and to enable drilling to take place in the future.

In addition to the continued exploration and development of its existing Blocks, the Directors also intend to introduce production cash flows and other exploration opportunities in order to balance the Group's existing portfolio. The Directors' intention is primarily to remain focused on the South Atlantic margins to capitalise on its current and developing experience and expertise in this area.

8. Work programme

Future work on the Blocks will consist of a geological and geophysical programme to be carried out, up to the end of the first exploratory period. The acquisition of 2D and 3D seismic data has been planned to maximise the prospectivity of the Blocks.

The detailed work programme for each Block over this period is set out in Table 3 below.

Table 3: Future work programme

	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Biostratigraphy study of available well samples (cutting and core)								
Seismostratigraphy and high resolution Stratigraphy/ Sedimentological Study and Depositional Facies								
High Resolution Geochemistry Technology (Oil and Rock)								
Detailed Reservoir study - Plugs (density, permeability, porosity, thin section, diagenesis)								
Surface geochemistry and microbiology survey 3000 samples								

	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Field data purchase + PSDM + Amplitude and AVO analysis								
Geophysical (seismic/gravimetric/magnetometric) Reinterpretation and Mapping								
Seismic planning: definition of parameters for acquisition 2D and 3D surveys								
Seismic Acquisition and QC	3D		2D	2D	3D			
Seismic processing PSDM and QC								
Detailed Aeromagtometric Survey and QC								
Well Seismic Correlation and Synthetic Generation								

	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Data integration (Project Generation, 3D Modelling, Volumetric and Risking)								
2D and 3D Structural Reconstruction and Modelling								
Economic Evaluation								
Namibia Geodata								

basin based study
block based study

Source: Group management information

By 2011, the Directors expect the Group to be in a position to either renew its Licences or, subject to entering into a farm-out arrangement or raising further financing, to commence drilling. Based on the work undertaken to date, such drilling is expected to firstly take place within the Prospect (Block 1811A) and the three Leads which can be considered to be a multi-layered Prospect (Block 2714A).

9. Directors, senior management and technical advisers

9.1 *Directors*

The Board currently comprises seven Directors. Details of their respective roles and their backgrounds are as follows:

William Peter Kidney (aged 52), *Non-executive Chairman*

Peter is a fellow of the Institute of Chartered Accountants and has 25 years of experience in natural resources, including oil and gas. Peter was previously the Chief Executive Officer of the quoted mining company, ARCON International Resources Plc which was taken over by Lundin Mining in 2005. He is also a founding director and currently a non-executive director of Providence Resources Plc, an oil and gas exploration and production company admitted to trading on AIM. From 2004 to 2006, Peter also acted as the chairman of the Irish Mining Industries Association, IMEG.

Kevin Eric John Broger (aged 46), *Chief Executive Officer*

Kevin has over 22 years of oil and gas industry experience. Prior to joining Chariot, he was Team Lead Brazil New Venture Explorations for Encana Corporation, one of Canada's largest exploration and production companies, where he was responsible for developing its Brazil exploration asset base of offshore blocks. He was actively involved in significant discoveries in 2003 in Brazil and in 1993 in Alberta. He is a qualified geologist and is a professional member of a number of Canadian geological

and geophysical societies. Kevin has a degree in Geology from the University of Waterloo in Ontario, Canada.

Heindrich Steven Ndume (aged 45), *Country Director Namibia*

Heindrich is a Namibian national with mining exploration experience throughout sub-Saharan Africa. Heindrich has played a unique role within the development of Namibia's mining and energy strategies, including acting as National Energy Council Secretary and World Energy Council Representative for the Namibian Ministry of Mines and Energy. He was also one of the founding shareholders of Greendale and Enigma.

James Everett Burgess (aged 44), *Commercial Director*

James set up Everett Financial Management Limited in 1992 and sold it in 2003, since when he has been involved in numerous fund raisings and admissions to trading on AIM by a number of companies in the energy and resource sectors operating largely in the African continent. Prior to Everett Financial Management Limited, James worked at Hoare Govett, which is now part of ABN Amro. He is a non-executive director of a number of companies, including Chromex Mining plc and European Business Jets plc, both of which are admitted to trading on AIM.

Adonis Pouroulis (aged 38), *Non-executive Director*

Adonis is the founder and the chairman of Petra Diamonds Ltd, a pan-African diamond mining company admitted to trading on AIM. He is also a consultant to Sirius Investment Management LP Incorporated, a fund management company active in raising capital to help finance early stage exploration. Adonis has extensive experience in the discovery and exploration of natural resources and bringing them into production, in particular within the mining industry.

Norman Leighton (aged 57), *Non-executive Director*

Norman is the owner and a co-director of Leighton & Leighton SNC, a company specialising in international trust and corporate administration. Norman has extensive experience acting as non-executive director for a large number of companies. Norman is a Chartered Accountant and qualified as a fellow of the Institute of Chartered Accountants in England and Wales in 1984. He is a member of the Institute of Directors and of the Society of Trust and Estate Practitioners.

Norman was appointed at the request of ICM, a major shareholder of Chariot.

Robert Archibald Gilchrist Sinclair (aged 58), *Non-executive Director*

Robert is managing director of the Guernsey-based Artemis Holdings Limited ("Artemis") and a director of a number of investment fund management companies and investment funds associated with Artemis. Robert is chairman of Schroder Oriental Income Fund Limited, a director of ING UK Real Estate Income Trust Limited and chairman of its audit committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is resident in Guernsey.

Robert was appointed at the request of Westward, a major shareholder of Chariot.

9.2 ***Senior management***

Set out below are the biographical details of other members of the Group's senior management team:

Guy Michael Gibbons (aged 50), *Chief Financial Officer*

Guy is a Chartered Accountant who trained with PricewaterhouseCoopers and is based in the UK. After a period at Lazard Limited, he joined Pearson plc in London as a project accountant in 1989. He then became European Financial Controller at Mindscape International Limited in 1995 before joining Penguin Books Limited in 1997 as Head of Financial Control. In 2001, Guy moved to Metal Bulletin plc as Head of Finance until 2007 when he took up a position as a consultant with Marwyn Investment Management LLP. Guy joined Chariot part time in March 2008.

Siegfried Baumgartner (aged 57), *Namibia exploration team*

Siegfried holds a degree in Geology from the Ludwig-Maximilians-Universität in Munich and in Computer Science from the Control Data Institute in Munich. He has approximately 30 years of international experience in the oil and computer industry. Previously, Siegfried worked with the National Petroleum Corporation of Namibia (NAMCOR) as Principal Petroleum Explorationist and Geological Information Manager. He is a member of the American Association of Petroleum Geologists (AAPG, active member), the Geological Society of Namibia (life member), the Petroleum User Group (ESRI) and the Scientific Society of Namibia.

9.3 ***Technical advisers***

Set out below are the biographical details of key members of HRT Petroleum, or its associated company's, team of advisers to the Group:

Dr. Marcio Rocha Mello (aged 55), *President*

Marcio has extensive oil and gas experience after spending 24 years with Petrobras as a subsurface and basin analysis geologist and for 18 years was head of their petroleum geochemistry section, prior to establishing HRT Petroleum in 2004. During his years at Petrobras, Marcio spent ten years being responsible for the development of petroleum system studies for all of the sedimentary basins of Latin America and Africa. He was also the founder and first president of the Brazilian Association of Petroleum Geologists and a prior president of AAPG Latin America. Marcio has a PhD in Petroleum Geochemistry from Bristol University, England.

Dr. Nilo Chagas de Azambuja Filho (aged 53), *Vice President*

Nilo has extensive experience in petroleum system analysis and oil and gas exploration and production having spent 30 years with Petrobras. As a specialist, he headed up research projects in stratigraphy and sedimentation on rift, Brazilian passive margin and Paleozoic basins. Additionally, Nilo has performed special studies in deep water in the Gulf of Mexico, West Africa, Iran and Black Sea. He assumed several positions in the Petrobras research centre, including Sector Head of Stratigraphy, Biostratigraphy and Basin Modeling and Head of Exploration. Nilo has a PhD in Sedimentology from Imperial College in London.

Antonio José Catto MSc (aged 60), *Petroleum Geophysicist*

Catto worked for Petrobras for 31 years where he contributed to the discovery of several oil fields, mainly in the Campos Basin before joining HRT Petroleum. In 2004, he retired from Petrobras and, until 2007, he worked as a petroleum geophysicist consultant for ENI Oil do Brazil. Catto was one of the pioneering exploration geophysicists at Petrobras, working on both sides of the South Atlantic margins, specifically spending three years heading up the deep water exploration team offshore Brazil and was responsible for devising a new model for gas migration pathways, which has also proved effective in oil exploration.

Dr. Frederico de Melo Ribeiro (aged 40), *Exploration Manager*

Frederico is employed by HRT Petroleum but works at the Group's offices in Namibia. He is the Exploration Manager for Enigma, co-ordinating the exploratory phase in Namibia. Frederico is a specialist in remote sensing, environmental analysis, structural geology and tectonics with experience in American, Latin American and African basins. Prior to working with HRT Petroleum, he worked for the BG Group in Brazil specialising in the subsurface geology and geophysics of offshore prospects which included work on the Santos basin and other deep water blocks where three discoveries have recently been announced – Parati, Tupi and Carioca.

Giovanni Toniatti (aged 67), *Geologist*

Giovanni has 46 years experience in mining activities and oil and gas exploration. Between 1998 and 2002, he was a director of Brazil's National Petroleum Agency – ANP – working in the upstream sector, chiefly in the definition of concession blocks and in the establishment and maintenance of the Brazilian bidding rounds. Giovanni has held a number of high profile positions within Brazil's energy

sector including the post of Federal Secretary of Mines and Metallurgy where he was instrumental in drafting the Petroleum law. He has also held senior positions at Petrobras and was previously Chairman of the Board at the Geological Survey of Brazil for four years.

Dr Paul Brooks (aged 60), *Geochemist*

Paul has over 30 years experience in molecular geochemistry and is an expert in petroleum system and sedimentary basin analysis. Paul was part of the team that developed the equipment used in the detection and characterisation of molecular biomarkers, essential in determining petroleum systems. Paul has worked on the characterisation of petroleum systems in the sedimentary basins of Brazil, Canada and other Latin American countries. Prior to forming HRT Petroleum with Dr Marcio Rocha Mello, Paul worked with Petrobras, Ecopetrol (Colombia) and the Geological Survey of Canada. Paul has a PhD in Organic Geochemistry from the University of Bristol.

Sergio Possato (aged 62), *Geophysicist*

Sergio is a geophysicist with 32 years of experience in Brazilian sedimentary basins. He spent 26 years with Petrobras where he was General Manager for Reserves and Terminals as well as overseeing Operations, Geophysics, Geology and Interpretation for five years. He spent four years at the National Petroleum Agency (ANP) where he was responsible for establishing the Exploration and Production Database and headed up the Information and Technical Data Management team. More recently, Sergio has consulted to a number of oil and gas companies with regard to the Brazilian basins. Sergio is President of Stratageo, a leading geophysical and data processing consultancy company, associated with HRT Petroleum.

10. Corporate governance and share dealing code

Board

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Company intends to hold Board meetings at least six times each financial year and at other times, as and when required.

Corporate governance

Following Admission, the Company intends to adopt practices to comply, so far as practicable and appropriate for a company of its size, with the main provisions of the Combined Code. There is no corporate governance regime with which the Company needs to comply in Guernsey, its place of incorporation. However, the Company has established an audit committee, a remuneration committee and a nomination committee.

Audit committee

The Company has established an audit committee. The audit committee will comprise at least three members, who will be non-executive Directors. Initially, they will be Peter Kidney, Robert Sinclair and Norman Leighton. It will meet at least twice each year and at any other time when it is appropriate to consider and discuss audit and accounting related issues. The audit committee will be responsible for monitoring the quality of any internal controls and for ensuring that the financial performance of the Group is properly monitored, controlled and reported on. It will also meet the Company's auditors and review reports from the auditors relating to accounts and any internal control systems. It will initially be chaired by Peter Kidney.

Remuneration committee

The Company has established a remuneration committee. The remuneration committee will comprise at least three members, who shall be non-executive Directors. Initially, they will be Peter Kidney, Robert Sinclair and Norman Leighton, who will review the performance of the executive Directors and set the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of Shareholders. In determining the remuneration of executive Directors, the remuneration committee will seek to enable the Company to attract and retain executives of the highest calibre. No Director will be permitted

to participate in discussions or decisions concerning their own remuneration. The remuneration committee will initially be chaired by Peter Kidney.

Nomination committee

The Company has established a nomination committee. The nomination committee will comprise at least three members, who shall be non-executive Directors. Initially, they will be Peter Kidney, Adonis Pouroulis, Robert Sinclair and Norman Leighton, who will be responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions, as and when they arise. The nomination committee will initially be chaired by Adonis Pouroulis.

Share dealing code

The Company has adopted a share dealing code for the Directors and persons discharging managerial responsibility and relevant employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies) and the Company will take all reasonable steps to ensure compliance with such code by its Directors and any relevant employees.

11. Takeover Code

Although the Company is incorporated in Guernsey, the Takeover Code would not apply to the Company if the Panel were to deem that its place of central management and control is not within the United Kingdom, the Channel Islands or the Isle of Man, in which case neither a takeover offer nor certain stakebuilding activities in the Company would be governed by the Takeover Code or regulated by the Panel. Certain provisions of the Takeover Code have been incorporated into the Articles to provide certain takeover protections. The relevant provisions of the Articles are summarised in paragraph 7.15 of Part 7 of this document.

12. Disclosure of shareholdings

As a Guernsey incorporated company, neither Chariot nor its shareholders will be subject to the DTR. For this reason and further to the guidance to Rule 17 of the AIM Rules for Companies, the shareholder disclosure obligations of chapter 5 of the DTR have been incorporated into the Articles. Such provisions require any person interested in three per cent. or more of the Company's share capital to disclose the nature and amount of such interest and provide sanctions against any person who fails so to do. The relevant provisions of the Articles are summarised in paragraph 7.13 and paragraph 7.14 of Part 7 of this document. Prospective investors should note these disclosure obligations.

13. Related party transactions

The Group has entered into various transactions in which ICM, Westward and Protech are interested. ICM, Protech and Westward own 25.4 per cent., 22.4 per cent. and 22.8 per cent. respectively of the issued Ordinary Shares prior to Admission. Norman Leighton, one of the Directors, is a director of ICM. Adonis Pouroulis, one of the Directors, is one of a number of potential beneficiaries of the trust that owns Westward and Robert Sinclair, one of the Directors, is a director of Westward. Protech is wholly owned by Heindrich Ndume, one of the Directors. The transactions entered into by the Group in which ICM, Protech or Westward have an interest are as follows:

13.1 Westward paid exploration costs on behalf of Enigma amounting to US$1.7 million. A further US$1.4 million was advanced to fund exploration costs by ICM. These balances remain outstanding, are non interest bearing and are to be repaid on Admission out of the proceeds of the Placing.

13.2 On 7 January 2008, the Company acquired the entire issued share capital of Enigma in consideration for which the Company allotted 52,234,653 Ordinary Shares. Prior to this transaction, Enigma was beneficially owned and controlled by, amongst others, Westward, Protech and ICM.

13.3 On 7 January 2008, the Company acquired the assets and assumed certain liabilities of Namquest. Namquest is controlled by ICM, Westward and Protech.

In addition, the Group has entered into the following related party transactions:

13.4 On 17 May 2007, Namquest issued convertible loan notes amounting to US$2 million to Sirius. The loan notes were subsequently novated to the Company as part of the assumption of certain liabilities of Namquest and on 7 January 2008 were converted into 5,328,005 Ordinary Shares in the Company.

13.5 J&K Property Investments Limited, a company owned as to 50 per cent. by James Burgess and of which he is a director, provides services and facilities for the Group, and receives a fee of approximately £40,000 per annum.

13.6 Pursuant to an agreement dated 1 October 2007, Artemis Trustees Limited, a company of which Mr Robert Sinclair is a director and ultimately a shareholder, was appointed by the Company to provide administration and company secretarial services. Fees are chargeable on a time spent basis, calculated by reference to the time, work type and skills involved in providing the services.

13.7 By deed of assignment dated 7 May 2008, the Company consented to the assignment by BMO to Sirius Investment Management LP Incorporated of warrants exercisable over a number of Ordinary Shares calculated by dividing £44,556 by 50 per cent. of the Placing Price.

14. Reasons for the Placing and Admission

The primary purpose of the Placing is to raise sufficient funds to allow the Group to continue the exploration of its Blocks, to develop the Prospect and Leads identified to date and to provide the Group with additional working capital to execute its business strategy outlined above.

The Directors consider that Admission will be an important step in the Group's development and will enhance its standing in the market. It will also enable the Group to access finance which may be required in order to allow the Group to progress its current and future developments and, if the Board so determines, to expand in its chosen markets both organically and through selective acquisitions.

15. Use of proceeds

The Company is seeking to raise £40.5 million (after expenses) through the Placing which will be used to:

- continue the Group's current exploration programme and, in particular, to ensure the Group is able to fulfil its work programme obligations under the Licences. The proceeds on Admission are expected to fund the Group's work programme over the next two years;
- repay the Shareholder Loans;
- provide working capital and funds for general corporate purposes; and
- evaluate and potentially fund new projects.

16. Financial information on the Group

Historical financial information for the Group is set out in Part 5 of this document.

17. Current funding and liabilities

Enigma owes US$3.1 million to certain Shareholders. These loans are non interest bearing and are repayable (pursuant to the terms upon which Enigma was transferred to the Group) in full from the proceeds of the Placing on Admission. Further details of the relevant agreement are set out in paragraph 11.8 of Part 7 of this document.

In February and March 2008, BMO placed £3.7 million Loan Notes (in aggregate) in two tranches on behalf of Chariot, providing the Group with sufficient working capital to continue its work programme and to

prepare for Admission. The Loan Notes do not accrue interest and will automatically convert, in accordance with their terms, into Ordinary Shares on Admission at a price per Ordinary Share equal to 50 per cent. of the Placing Price. As a result of this placing, BMO was granted Warrants to subscribe for such number of Ordinary Shares as equates to £222,780 divided by 50 per cent. of the Placing Price. The exercise price is equal to 50 per cent. of the Placing Price per share and 20 per cent. of such Warrants were subsequently assigned to Sirius Investment Management LP Incorporated on 7 May 2008. Further information relating to the Loan Notes, is set out in paragraph 11.11 of Part 7 of this document.

The Company has an obligation to issue Ordinary Shares to Onslow (a previous owner of Greendale) on Admission to the value of £1.1 million at the Placing Price as a result of the agreement for the sale of Greendale to Namquest dated 24 May 2007. This agreement was novated to Chariot in January 2008 as part of the agreement between Namquest and Chariot in respect of the acquisition of Greendale. Further information relating to this agreement is set out in paragraph 11.5 of Part 7 of this document.

18. Current trading and prospects

The Company is not currently generating operating revenue. The Directors believe that the Group is well placed to enhance the value of its assets through continued exploration and the potential development of its Blocks.

19. Liquidity and financing

The Group will need to raise additional finance in order to fund exploration drilling and the potential development of its existing Blocks, to increase its current exploration acreage and geographic locations and to build a portfolio combining production cash flows and other exploration plays.

A critical element of the Group's strategy will be to explore the possibility of a farm-out agreement with a major oil company to provide funding, mitigate risk and expedite exploration and potential development. Preliminary farm-out discussions with a major oil company have been initiated by the Group. These discussions are at an early stage and there is no certainty that an agreement will be reached.

Following conversion of the Loan Notes into Ordinary Shares, repayment of the Shareholder Loans and the issue of Ordinary Shares to Onslow, which are conditional upon Admission, the Group will have no material external indebtedness.

20. Dividend policy

The Company has not declared or paid any dividends since its incorporation. The payment of dividends in the initial years following Admission is unlikely as it is the intention of the Directors to use available funds to achieve capital growth. The dividend policy will be reviewed in the later stages of the Company's development as and when applicable in light of the availability of cash and distributable reserves.

21. Lock-in and orderly market arrangements

Each of (a) the Directors, Substantial Shareholders and their respective associates who hold Ordinary Shares (as defined in the AIM Rules for Companies) as required by Rule 7 and (b) certain employees and consultants of the Group and other Shareholders, each of whom are not subject to Rule 7, have agreed not to sell, transfer, charge, grant any option over or otherwise dispose of any interest in Ordinary Shares or other securities of the Company that they hold immediately following Admission or acquire (other than in certain limited circumstances permitted by the AIM Rules for Companies, including the acceptance of a takeover offer and the execution of an irrevocable commitment to accept a takeover offer) during the Lock-In Period.

At the date of this document, these arrangements cover 80,551,779 Ordinary Shares comprising, in aggregate, 57 per cent. of the Enlarged Share Capital.

The Directors and Substantial Shareholders, their respective associates, certain other Shareholders and the employees subject to lock-ins have each further undertaken that for a further period of twelve months immediately following the end of the Lock-In Period, they will effect a sale of their Ordinary Shares only with the prior written consent of the Company, KPMG Corporate Finance (so long as KPMG Corporate

Finance is the Company's nominated adviser at such time) and BMO (so long as BMO is the Company's broker at such time), and any such disposal will be made through BMO with a view to maintaining an orderly market in the Ordinary Shares.

22. Terms and conditions of Placing

BMO has conditionally agreed to use its reasonable endeavours to place, as agent for the Company, 34,615,000 Placing Shares at the Placing Price, which will represent 24.5 per cent. of the Enlarged Share Capital. The Placing Shares are being placed by BMO with institutional investors. The Placing will raise approximately £45 million for the Company (before commissions and expenses).

The Placing has not been underwritten by BMO. However, Spartan Corporate Finance Ltd, the Finch Group Limited and Saad Investment Company Limited had underwritten the subscription of Placing Shares with an aggregate value of £14.5 million. Details of the underwriting agreements are set out in paragraphs 11.13, 11.14 and 11.21 of Part 7 of this document.

The Placing is conditional, *inter alia*, on Admission and on the Placing Agreement not being terminated prior to Admission. The Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares in issue. It is expected that the proceeds of the Placing will be received by the Company on or before 23 May 2008. Placees not electing to receive Placing Shares pursuant to the Placing in uncertificated form will receive Placing Shares in certificated form.

The Placing is subject to the satisfaction of certain conditions contained in the Placing Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors, BMO and KPMG Corporate Finance.

Further details of the Placing Agreement are set out in paragraph 11.15 of Part 7 of this document.

23. Admission

It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on AIM on 19 May 2008.

Each prospective investor will be required to undertake to pay the Placing Price for the Ordinary Shares issued to such prospective investor in such manner as shall be directed by BMO.

24. CREST and trading in Ordinary Shares

CREST is a paperless system allowing title to securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares under the CREST system. The Directors intend to apply for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any Shareholder wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able so to do.

25. Taxation

The attention of Shareholders is drawn to the information contained in paragraph 17 of Part 7 of this document in respect of the tax position of the Group and Shareholders. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

26. Share options

The Board has adopted two Plans to appropriately incentivise the Directors, other key employees and consultants of the Group. A summary of the key terms of both Plans and the awards which have been made

under these Plans are disclosed in paragraph 4 of Part 7 of this document. Options exercisable over a maximum of ten per cent. of the Company's issued share capital at any given time may be granted.

To date, the Board has approved the grant of options exercisable over 1,840,000 Ordinary Shares as follows:

Options granted	*Exercise price*	*Period to vesting*
700,000 Ordinary Shares	38.5p	Two years from Admission
1,140,000 Ordinary Shares (granted subject to Admission)	Placing Price	Two years from Admission

It is the intention of the Directors that suitable performance criteria will be applied to any future options awards reflecting the stage of development of the Group and industry practice.

27. Further information

Your attention is drawn to the additional information set out in Parts 3 to 7 of this document and in particular to the "Risk factors" in Part 1 of this document which sets out certain risk factors relating to any investment in the Ordinary Shares.

PART 3

OVERVIEW OF THE LICENCES AND THE PETROLEUM AGREEMENTS

1. Introduction

In Namibia, unless otherwise owned, all natural resources below and above the surface of the land, in the continental shelf and within the territorial waters of the exclusive economic zone of Namibia belong to the state, together with the right to explore for, produce and dispose of natural resources within these areas.

The Petroleum Act empowers the Minister to issue reconnaissance, exploration and production licences over defined blocks of the exclusive economic zone of Namibia, set out in a map produced by the Namibian Government pursuant to the Petroleum Act.

2. Petroleum exploration licences and petroleum agreements

Petroleum exploration licences may be issued for an original period not exceeding four years, and may subsequently be renewed for not more than two periods of two years each. On the first and second renewal of a petroleum exploration licence, the licence holder will be required to relinquish 50 per cent. and then a further 25 per cent. of the original exploration area to which the licence relates. The specific area to be relinquished shall be decided by the licencee. The MME may renew an exploration licence on a third occasion for a period not exceeding two years, if they deem it to be in the interest of the development of petroleum resources in Namibia.

The holder of an exploration licence shall be entitled exclusively to carry on exploration operations in the block or blocks to which the exploration licence relates.

The Petroleum Act 1991 requires the Minister to enter into a petroleum agreement with each licence holder.

3. Licences held by Enigma

Enigma holds the following licences:

Licence	*Date of Petroleum Agreement*	*Expiration of initial exploration period*	*Licence Area km²*
Exploration Licence 0014, Offshore Blocks 1811A & B, Namibe Basin	27 October 2005	31 August 2010 [1]	10,962
Exploration Licence 0015, Offshore Block 2714B, Orange Basin	27 October 2005	31 August 2010 [1]	5,481
Exploration Licence 0019, Offshore Blocks 2312B, 2312A, 2412B (Northern half) and 2412A, (Northern half), Walvis Basin	31 August 2006	31 August 2010	16,801
Exploration Licence 0020, Offshore Block 2714A, Orange Basin	31 August 2006	31 August 2010	5,481
Exploration Licence 0021, Onshore Blocks 2518 and 2618, Nama Basin	31 August 2006	31 August 2010	22,196

[1] Extended by agreement of the MME from 27 October 2009.

Each of the above Licences is renewable for two further periods of two years after the end of the initial exploration period and, potentially, a third period of two years at the Minister's behest. On the first and second renewal of a petroleum exploration licence, the licence holder will be required to relinquish 50 per

cent. and then a further 25 per cent. of the original exploration area to which the Licence relates. The specific area to be relinquished shall be decided by the licencee. The Minister may renew an exploration licence on a third occasion for a period not exceeding two years, if he or she deems it in the interest of the development of petroleum resources in Namibia.

4. Work programmes and minimum expenditure requirements

Under the Petroleum Agreements, Enigma must carry out an agreed exploration programme and satisfy a minimum expenditure requirement. By letter dated 25 April 2008, the MME agreed certain variations to the agreed exploration programmes. The requirements, as amended, are set out below.

Licence 0014 – Blocks 1811A & B – Namibe Basin

Initial exploration period (years 1 to 4)

(i) Review of all available data across blocks 1811A & B; (ii) Integrate and reprocess the TGSNopec & Western GECO datasets into a single usable dataset; (iii) Redefine the structural integrity of the acreage; (iv) Survey the area with experimental Atomic Dialectric Resonance (a deep penetrating radar fingerprint technique); and (v) Acquire infill 2D seismic and process over identified leads (a minimum of 1,000 km).

First renewal period

(i) Drill one well; and (ii) Acquire in-fill seismic, as required.

Second renewal period

Drill one well or acquire 1,000km^2 3D seismic.

The minimum expenditure is US$1,150,000 in the initial exploration period; US$11,000,000 (adjusted for inflation) in the first renewal period and US$10,000,000 (adjusted for inflation) in the second renewal period.

Licence 0015 – Block 2714B – Orange Basin

Initial exploration period (years 1 to 4)

(i) Undertake a full geological, geochemical and geophysical evaluation of block 2714 B including AVO analysis; (ii) Integrate and reprocess where necessary the current coverage over the block; and (iii) Acquire a minimum of 500 km^2 of 3D seismic over identified areas.

First renewal period

(i) Drill one well; and (ii) Acquire in-fill seismic as required.

Second renewal period

Drill one well or acquire 1,000km^2 3D seismic.

The minimum expenditure is US$2,000,000 in the initial exploration period; US$11,000,000 (adjusted for inflation) in the first renewal period and US$10,000,000 (adjusted for inflation) in the second renewal period.

Licence 0019 – Offshore Blocks 2312A, 2312B, 2412A (northern half) and 2412B (northern half) Walvis Basin

Initial exploration period (years 1 to 4)

(i) Gather relevant technical data including drilling, seismic, magnetic and gravity data and existing reports relating to the prospectivity for hydrocarbons of the licence area; (ii) Carry out technical studies, interpretation and mapping; (iii) Carry out seismic reprocessing and reformatting if necessary; (iv) Test new remote sensing technology(s) and conduct possible EM surveys if applicable; (v) Seismic acquisition and processing of a minimum of 1,000 km 2D data; (vi) Seismic interpretation and mapping; (vii) Undertake a comprehensive prospectivity analysis of the area including all data, (viii) Full report covering activities and

interpretation in first period will be submitted to the MME; and (ix) Farm out part of the equity over the acreage or relinquish.

First renewal period

(i) Acquire 2,000 km of 2D seismic or 200 km^2 of 3D seismic; (ii) Interpret data and identify drillable targets.

Second renewal period

(i) Procure a drilling vessel; (ii) Drill one well to minimum depth of 3,000m.

The estimated minimum expenditure is US$100,000 in year 1 of the initial exploration period; US$2,000,000 in years 2 to 4 of the initial exploration period; US$5,000,000 in the first renewal period and US$20,000,000 in the second renewal period.

In addition, the Group is committed to making annual contributions to the Petrofund of US$20,000 in the initial exploration period; US$40,000 in the first renewal period and US$50,000 in the second renewal period.

Licence 0020 – Block 2714A – Orange Basin

Initial exploration period (4 years)

(i) Gather relevant technical data including drilling, seismic, magnetic and gravity data and existing reports relating to the prospectivity for hydrocarbons of the licence area; (ii) Carry out technical studies, interpretation and mapping; (iii) Carry out seismic reprocessing and reformatting if necessary; (iv) Test new remote sensing technology(s); (v) Seismic acquisition and processing of 500 km of infill 2D data. The primary location of this seismic data will be over leads seen in previous mapping. This programme will refine these sites located by previous work and will determine the future locations of 3D seismic work; (vi) Seismic interpretation and mapping; (vii) Seismic acquisition, processing and interpretation – 3D, 200 sq km. This programme will be a detailed programme over candidate prospects as possible drilling targets; (viii) Mapping and reporting including the examination and ranking of prospects suitable as drilling targets. Consideration will be given to prospect type, risking and economic factors; (ix) Full report covering activities and interpretation in first period to be submitted to MME; and (x) Drill or drop out option.

First renewal period

Drill one well to minimum depth of 3,000m.

Second renewal period

Drill one well to minimum depth of 3,000m.

The minimum estimated expenditure is US$150,000 in year 1 of the initial exploration period; US$1,000,000 in year 2 of the initial exploration period; US$3,000,000 in years 3-4 of the initial exploration period; US$20,000,000 in the first renewal period and US$20,000,000 in the second renewal period.

In addition, the Group is committed to making annual contributions to the Petrofund of US$20,000 in the initial exploration period; US$40,000 in the first renewal period; US$50,000 in the second renewal period.

Licence 0021 – Blocks 2518, 2618 – Nama Basin

Initial exploration period (4 years)

(i) Gather relevant technical data including, seismic, magnetic and gravity data and existing reports relating to the prospectivity for hydrocarbons of the licence area; (ii) Carry out technical studies, re-interpretation of existing seismic and mapping; (iii) Test new remote sensing technology including seep detection technologies; (iv) Carry out seismic acquisition and processing of a minimum 500 km 2D data; (v) Carry out seismic interpretation and mapping; (vi) Mapping and reporting including the examination and ranking of prospects suitable as drilling targets; (vii) Full report covering activities and interpretation in first period will be submitted to MME; (viii) Farm-out process; and (ix) Drill or drop out option.

First renewal period

Drill one well to minimum depth of 2,000m.

Second renewal period

Drill one well to minimum depth of 2,000m.

The estimated minimum expenditure is US$50,000 in year 1 of the initial exploration period; US$2,000,000 in years 2-4 of the initial exploration period; US$5,000,000 in the first renewal period and US$5,000,000 in the second renewal period.

The Group is committed to making the following annual contributions to the Petrofund: US$15,000 in the initial exploration period; US$30,000 in the first renewal period; US$30,000 in the second renewal period.

Enigma may, in relation to any of the Licences, be required by the Minister, by written notice, to test additional horizons and to continue drilling and testing deeper additional horizons in a well. The notice must be given as early as possible prior to, or during, the drilling of a well, but not after Enigma has notified the Minister of the detailed completion or abandonment plan of a well.

Bank Guarantees

The Petroleum Agreements provide for the following bank guarantees to be provided for each of the Licences.

Licence	*Initial exploration period*	*First renewal period*	*Second renewal period*
0014 – Blocks 1811A & B Namibe Basin	Equivalent to minimum expenditure.	Equivalent to minimum expenditure.	Equivalent to minimum expenditure.
0015 – Block 2714B – Orange Basin	Equivalent to minimum expenditure.	Equivalent to minimum expenditure.	Equivalent to minimum expenditure.
0019 – Blocks 2312A, 2312B, 2412A (northern half) and 2412B (northern half) Walvis Basin	US$2,100,000	US$5,000,000	US$20,000,000
0020 – Block 2714A – Orange Basin	First two years US$1,150,000 Second two years US$3,000,000	US$20,000,000	US$20,000,000
0021 – Blocks 2518, 2618 – Nama Basin	US$2,050,000	US$5,000,000	US$5,000,000

(a) Bank guarantees that were in place for licences 0014 and 0015 for the initial exploration period have been released as all agreed commitment obligations have been met.

(b) Bank guarantees outlined in the Petroleum Agreements for Licences 0019, 0020 and 0021 were not required by the MME following negotiations between the parties.

(c) Bank guarantee obligations in the renewal periods will be subject to renegotiation.

5. Additional obligations of Enigma

In addition to the exploration programmes and minimum expenditure requirements set out above, Enigma has a number of additional obligations, some of which are prescribed by the Petroleum Act and some of which are contained in the Petroleum Agreements. The key obligations are set out below.

5.1 ***Fees and taxes***

To pay an annual charge to the State Revenue Fund equal to the figure expressed in Namibian Dollars, calculated by multiplying the number of square kilometres included in the block or blocks to which the licence relates (i) by 60 during the original period of the licence; (ii) by 90 during the period of

the first renewal of the licence; (iii) by 120 during the period of the second renewal of the licence; (iv) by 150 during the period of a third renewal of the licence; in the case of a production licence by 1,500; and (v) to pay annually, a petroleum income tax as referred to in section 5 of the Petroleum Taxation Act, 1991 levied on taxable income received or accrued on any exploration, development operation or petroleum operation in any licence area, levied at the rate of 35 per cent. per annum.

5.2 ***Technical advisory committee***

To set up a technical advisory committee to consist – in equal parts – of representatives appointed by Enigma and the Minister. The functions of the technical advisory committee are, *inter alia*, to (i) oversee and monitor all petroleum operations carried out by Enigma, (ii) review any proposed exploration work programme and budgets; (iii) review any application made by Enigma for a production licence, (iv) review appraisal programmes and any development plan which Enigma proposes to submit in connection with an application for a production licence; and (v) ensure that the accounting of expenditure and the maintenance of records and reports kept in connection with the petroleum operations are made in accordance with the relevant agreement.

5.3 ***Namibian requirements***

(i) To give preference to Namibian citizens as employees; (ii) to carry out training programmes to encourage and promote the development of Namibian citizens; (iii) to have due regard to the need to ensure technical and economic efficiency, making use of products, equipment and services available in Namibia; (iv) to co-operate with other persons involved in the petroleum industry to enable such citizens to develop skills and technology to render services in the interest of Namibian industry; (v) to make annual expenditure in line with the relevant Petrofund obligations relating to the employment and training of Namibian citizens; (vi) to give preference to Namibian goods and services; and (vii) at the Minister's choice, to sell crude oil in Namibia in order to satisfy Namibia's domestic market requirements.

5.4 ***Use of land***

(i) To pay compensation for damage caused or done to private land as a result of exploration or production operations; (ii) if directed by the Minister, to purchase land that a private owner cannot use on account of exploration or production operations; (iii) not to drill any well of which any part is less than 1,000 metres from any boundary of any relevant block, without the prior written approval of the Minister; (iv) to maintain in good condition and repair all structures, equipment and other goods in the exploration area and used in connection with the exploration operations; (v) to remove, as directed by the Minister, all installations, equipment, pipelines and other facilities, whether on-shore or off-shore, not used or intended to be used in connection with exploration operations; (vi) to take reasonable steps to warn persons in the vicinity of any structure or equipment or other goods of the possible hazards resulting therefrom; (vii) to prevent damage to petroleum-bearing strata in any area outside the exploration area; (viii) to prevent petroleum reservoirs in the exploration area or such water sources as determined by notice in writing by the Commissioner from being connected with each other; (ix) to prevent water or any other substance entering any petroleum reservoir through the wells in the exploration area, except if required by, and in accordance with good oil field practices; (x) to exercise all rights reasonably and in a way that aims to affect the rights and interests of the owner or occupier of the land as little as possible; and (xi) if a petroleum reservoir is partly situated in its production area and partly in the production area of another holder, following a notice by the Minister, to enter into an agreement with such other holder in relation to the joint development and operation of such petroleum reservoir.

5.5 ***Environmental***

(i) To carry out two environmental impact assessment studies. The first environmental impact assessment study is to determine the prevailing situation relating to the environment, human beings, wildlife or marine life in the licence area, and is to be carried out in two phases, one prior to undertaking any fieldwork for a seismographic survey and the other sufficiently in advance of the

commencement of drilling. The second study relates to the effect of petroleum operations (particularly production) on the environment and is to be concluded sufficiently in advance of the commencement of production operations; (ii) to control the flow and prevent the waste, escape or spilling in the exploration area of petroleum, water or any gas; (iii) to prevent the water spilling in the exploration area of water or drilling fluid or any other substance extracted from a well; (iv) to prevent the pollution of any aquifer, estuary, harbour, lake, reservoir, river, spring, stream, borehole and all other areas of water by the spilling of petroleum, drilling fluid, chemical additive, any gas or any waste product or effluent; (v) not to flare any combustible gas, except for the purposes of testing or for operational reasons, or with the approval of the Minister; (vi) to report to the Minister any spilling of or pollution of the relevant area and to take all steps to remedy any damage; (vii) to conduct its operations in such a manner as to protect and conserve the natural environment of Namibia, to minimise or mitigate environmental damage; and (viii) to be comprehensively insured against, *inter alia*, the loss or damage to any or all of its assets, losses or damage caused by pollution, and employees engaged in petroleum operations.

5.6 ***Provision of information to the MME***

(i) To inform the Minister of the discovery of any minerals; (ii) to prepare and maintain geological maps and plans, submit bi-annual reports relating to the work carried out and analysis of substances extracted from the well; (iii) to submit a return relating to the results of exploration or production operations and estimates of petroleum recoverable on an annual basis; (iv) to submit a report of all drilling operations following the relevant drilling; (v) to deliver, in the case of cancellation, to the MME all documentation and data that the MME may require; (vi) to inform the MME if the licence holder is unable to comply with the licence due to a force majeure event; (vii) to follow any directions given by the Minister to ensure good oil field practices; (viii) to furnish the MME with particulars of the manner in which it proposes to comply with its minimum work programme; and (ix) to furnish the Minister prior to the drilling of any well with a report containing particulars of the technique to be employed, an estimate of the time to be taken, the material to be used and the safety measures to be employed in the drilling of such well.

5.7 ***Termination***

(i) Not to, within two years of the end of the term of the Petroleum Agreement, remove from the Licence area or sell any immovable assets without the approval of the Minister; and (ii) to sell to the Minister, at a price determined by mutual agreement, any moveable assets of Enigma used in connection with a Licence area.

5.8 ***Abandonment***

(i) Not to abandon, close or plug a well without the approval in writing of the Minister, and on such terms and conditions as determined by the Minister; and (ii) if a Licence has been cancelled or expired or relinquished, to remove all goods brought on to the area, plug or close off all wells and perform any other actions as may be required by the MME to conserve and protect the natural resources in that area.

5.9 ***Assignment***

Enigma may not assign the Petroleum Agreement to any third party, other than an affiliate, without the prior approval of the Minister. However, Enigma may assign its rights, privileges, duties or obligations to an affiliate, provided that such assignation will not relieve Enigma of any of its obligations under the Petroleum Agreement. An affiliate is described as a company holding directly or indirectly a majority of shares in Enigma, or any company which is directly or indirectly controlled by such first mentioned company.

5.10 ***Exchange control and imports***

Each Petroleum Agreement regulates various matters relating to exchange control, and Enigma is *inter alia* granted the right to provide, in freely convertible currencies, all funds needed to conduct

petroleum operations. Enigma has been given wide-ranging rights in respect of the holding and disposal of foreign currency, but this is subject to Enigma complying with the procedures under the exchange control laws of Namibia.

Enigma and its subcontractors shall be permitted to import all items required by Enigma in respect of its petroleum operations exempt from customs duties.

6. Cancellation and lapsing of licences and the Petroleum Agreement

The Minister may cancel a licence in the case of (i) non-compliance with the terms and conditions of the licence or the provisions of the Petroleum Act 1991; and (ii) the winding-up of the licence holder.

If it appears from a report provided by the holder of an exploration licence that a discovery of petroleum is not a potential commercial interest, the Minister may direct that the relevant licence shall cease to be of any force and effect.

The Petroleum Agreement terminates when Enigma ceases to hold the licence that relates to the Petroleum Agreement. Also, the Minister may, inter alia, terminate a Petroleum Agreement if: (i) Enigma or another company which has given a performance guarantee is liquidated; (ii) if a resolution is passed by Enigma for its liquidation; or (iii) if Enigma fails to comply with a final award given in arbitration.

7. Procedure on a petroleum discovery

In the event that Enigma makes a discovery in an exploration area, it shall (i) notify the Commissioner that the discovery has been made; and (ii) carry out tests to determine the commercial interest of the discovery and provide the Minister with a report on the evaluated result and commercial interest of the discovery. If it appears that the discovery may be of commercial interest, the licence holder shall take all steps to appraise the discovery and determine the quantity of petroleum to which the discovery results. At this stage, the licence holder may apply for a declaration of a petroleum field over the relevant area. If Enigma discovers natural gas, it is required to promptly inform the Minister and to discuss the commercial potential of such discovery. If the discovery is of potential commercial interest, Enigma is required to undertake a market feasibility study and to report the results of such study to the Minister.

8. Application for a production licence by a holder of an exploration licence

The holder of an exploration licence has the right, within two years from the declaration by the Minister of a petroleum field to apply for a production licence. Any application for a production licence shall be granted on such conditions as the Minister may specify to be reasonably necessary to achieve the objectives of the Petroleum Act 1991.

A production licence shall only be granted if the following conditions are met:

(a) the proposed programme or production operations and the processing of petroleum will ensure the efficient, beneficial and timely use of the petroleum resources in question;

(b) the applicant has the technical and financial ability and expertise in the petroleum industry to carry out production operations; and

(c) the applicant is in compliance at the time of the application with the terms and conditions of the licence and the provisions of the Petroleum Act 1991.

The Minister cannot refuse an application by the holder of an exploration licence for a production licence unless the Minister has notified the licence holder of the reasons for his intention to refuse the application and afforded the licence holder the opportunity to make representations and proposals.

9. Royalties payable under the Petroleum Agreement

Enigma is liable to pay to the State Revenue Fund a royalty of five per cent. of the market value of crude oil and natural gas produced and saved in the production area during each quarter.

The Petroleum Agreements set out the valuation of crude oil and natural gas produced and saved from a licence area and sets out the respective formulas. In essence, it is agreed that crude oil produced and saved from the licence area shall be sold or otherwise disposed of at competitive international market prices.

10. Payment

The following table sets out all payments made to date to any government or regulatory authority or similar body by any member of the Group in relation to the Licences:

Licence no.	*Licence 19*	*Licence 20*	*Licence 21*	*Licence 14*	*Licence 15*	
Block(s)	*2312B,2312A, 2412B,2412A*	*2714A*	*2518, 2618*	*1811A, 1811B*	*2714B*	**Total**
Payments made to 29 February, 2008						
Licence application payable on issue of original exploration licence	N$30,000	N$30,000	N$30,000	N$60,000	N$60,000	**N$210,000**
Annual rental charge based on N$60 per km^2 through initial licence period (paid in advance)	N$2,016,132	N$657,836	N$2,663,502	N$2,106,725	N$983,153	**N$8,427,348**
Training & education of Namibians via the Petrofund with 70% paid annually in advance (due on 31 August)	US$28,000	US$28,000	US$21,000	US$105,000	US$52,500	**US$234,500**
Training & education of Namibians via the Petrofund with 30% paid on an ad-hoc basis throughout the year direct to third parties upon MME approval	US$9,000	US$9,000	US$6,750	US$35,000	US$17,500	**US$77,250**

PART 4

COMPETENT PERSON'S REPORT

High Resolution Technology & Petroleum Ltda.

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13 May 2008

Chariot Oil & Gas Limited
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St. Peter Port
Guernsey
GY1 2HU

KPMG Corporate Finance
(a division of KPMG LLP)
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

BMO Capital Markets Limited
95 Queen Victoria Street
London
EC4V 4HG

Dear Sirs:

Resource Assessment of Chariot Oil & Gas Limited's ("Chariot" or "the Company") assets offshore Namibia in Blocks 1811A & B, Namibe Basin; Blocks 2312A & B, northern half of 2412A and northern half of 2412B, Walvis Lüderitz Sub-Basins and Blocks 2714A & B, Orange Basin; and onshore Namibia Blocks 2518 and 2618 in the Nama Basin ("the Assets").

The report has been prepared by High Resolution Technology & Petroleum Ltda. ("HRT Petroleum") and will be included in the Admission Document to be published by the Company. The Admission Document is published in connection with the Company's application to London Stock Exchange plc for the whole of the issued and to be issued ordinary share capital of the Company to be admitted to AIM ("Admission"), a market operated by the London Stock Exchange.

We acknowledge that this report may be included in its entirety, or portions of this report summarised, in documents prepared by the Company and its advisers in connection with the Admission and that such documents, together with this report, may be filed with any stock exchange and other regulatory body and may be published electronically on websites accessible by the public, including a website of the Company.

In accordance with your instructions to us and the requirements of AIM, we confirm that we:

1. are professionally qualified and a member in good standing of a self-regulatory organisation of geoscientists and/or engineers;

2. have at least five years' relevant experience in the estimation, assessment and evaluation of oil and gas assets;

3. are independent of the Company, its directors, senior management and advisers;

4. will be remunerated by way of a time-based fee and not by way of a fee that is linked to the Admission or valuation of the Company;

5. are not a sole practitioner;

6. have the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets, being all assets, licences, joint ventures or other arrangements owned by the Group or proposed to be exploited or utilised by it and liabilities, being all liabilities, royalty payments, contractual agreements and minimum funding requirements ("Liabilities") relating to the Group's work programme and Assets; and

7. consider that the scope of the report is appropriate, given Chariot's Assets and Liabilities and includes and discloses all information required to be included therein and was prepared to a standard expected in accordance with AIM.

Standard applied

In compiling this report we have used the definitions and guidelines that conform to the 2007 Society of Petroleum Engineers ("SPE") and the Petroleum Resources Management System ("PRMS").

No material change

We confirm that to our knowledge there has been no material change of circumstances or available information between the date that the report was compiled and the date of the Admission Document and we are not aware of any significant matters arising from our evaluation that are not covered within this report which might be of a material nature with respect to Admission.

Reliance on source data

The content of this report and our estimates of prospective resources are based on 2D seismic, exploration well data, geochemistry, satellite surveys, 3D basin modelling and other geological data that was available for our studies.

Chariot provided us with all relevant and available data in its possession at the time of the drafting of this report. We have accepted, without independent verification, the accuracy and completeness of this data.

All interpretations and conclusions presented herein are opinions based on inferences made from geological, geophysical, geochemical, engineering and other data. The report represents our best professional judgement and should not be considered a guarantee of results. Our liability is limited solely to Chariot for the correction of erroneous statements or calculations. The use of this material and report is at the user's own discretion and risk.

Requirement

The report has been prepared in accordance with the following rules and recommendations (hereinafter referred to as the "Rules"):

- the "Guidance note for Mining, Oil and Gas Companies, March 2006" (the "Guidance Note"): specifically and without limitation the report complies with the content requirements of Appendix 2 and includes the relevant summaries set out in Appendices 1 and 3, and we accept responsibility for the report in accordance with Schedule 2(a) and paragraphs 1.1 and 1.2 of Annex 1 and paragraphs

1.1 and 1.2 of Annex III of the AIM Rules for Companies and consent to its inclusion in the Admission Document;

- the AIM Rules for Companies, February 2007 (the "AIM Rules for Companies"): specifically Rule 3 relating to Admission Documents; and
- the rules for trading AIM securities as set out in the "Rules of the London Stock Exchange".

Consent

We hereby consent, and have not revoked such consent, to:

- the inclusion of this report, and a summary of portions of this report, in documents prepared by Chariot and its advisors in connection with the Admission;
- references to this report being made in such documents;
- the filing of this report with any stock exchange and other regulatory authority;
- the electronic publication of this report on websites accessible by the public, including the Chariot website; and
- the inclusion of our name in documents prepared in connection with Admission.

The report relates specifically and solely to the subject assets and is conditional upon various assumptions that are described herein. The report, of which this letter forms part, must therefore, be read in its entirety.

We have authorised the contents of this report and the context in which they are respectively included and have authorised the contents of this report for the purposes of paragraph 23.1 of Annex 1 of the AIM Rules for Companies.

Compliance

This report was provided for the sole use of Chariot on a fee basis. Subject to the foregoing and except with permission from HRT Petroleum, this report may not be reproduced or redistributed, in whole or in part, to any other person or published, in whole or in part, for any other purpose without the express written consent of HRT Petroleum.

This report has been prepared in accordance with the Rules; specifically the "Guidance Note for Mining, Oil and Gas Companies, March 2006" and the content requirements at Appendix 2 and the summaries set out in Appendixes 1 and 3. Furthermore, we accept responsibility for the report and confirm that, to the best of our knowledge and belief having taken all reasonable care to ensure that such is the case, the information contained in the report is an accordance with the facts and contains no omission likely to affect its import for the purpose of paragraphs 1.1 and 1.2 of Annex I and paragraph 1.1 and 1.2 of Annex III of the AIM Rules for Companies.

Notwithstanding the above, HRT Petroleum notes the following:

- a detailed statement of all legal proceedings relevant to the Assets or an appropriate negative statement has been included in the Admission Document;
- brief summaries of the Company's existing and proposed directors are included in the Admission Document and details relating to qualifications of key technical and managerial staff have been excluded from this report for practical purposes of volume;
- presentation of information contained elsewhere in the Admission Document (including but not limited to Part 2 hereof) which relates to information in the report is accurate, balanced and complete and not inconsistent with the report;

- where any information in the report has been sourced from a third party, such information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading;
- drafts of the report were provided to the Company, but only for the purpose of confirming both the accuracy of factual information and the reasonableness of assumptions relied upon this report; and
- this report has not undergone regulatory review; we understand that the Company's nominated adviser has conducted an internal review of this report in accordance with the Rules.

Summary of Resources

It is our opinion that the identified and mapped Prospects and Leads are classified as 'prospective resources' and need 3D seismic coverage to better evaluate the geological uncertainties. The range of potentially recoverable oil volumes in each category has been calculated by us based on certain assumptions and modelling and these are tabulated below.

Table A: Summary of prospective resources for Chariot Assets

Probabilistic volume method (Latin Hypercube – 5,000 iterations)	*Gross attributable to Licence in mmbbls*				*Net attributable to the Group in mmbbls*					
	Low estimate P90	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Prospect Zamba	335	793	1,816	968	335	793	1,816	968	14	Enigma
Lead Tapir	211	539	1306	675	211	539	1306	675	13	Enigma
Lead Scimitar	120	246	512	288	120	246	512	288	11	Enigma
Lead Mastodon	340	732	1502	856	340	732	1502	856	13	Enigma
Lead Mammoth	224	396	724	438	224	396	724	438	13	Enigma
Lead Woolly Rhino	51	173	606	258	51	173	606	258	13	Enigma
Lead Sabertooth Cat	208	378	670	417	208	378	670	417	11	Enigma
Total for oil and liquids*	**1,489**	**3,257**	**7,136**	**3,900**	**1,489**	**3,257**	**7,136**	**3,900**		

**The total for oil and liquids numbers are not a summation – they have been probabilistically modelled.*

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Risk factor for prospective resources is the "geological chance of success" or "chance of discovery".

Risk factors in the 11 to 14 per cent. range represent "relatively high risk" exploration.

Three of the Leads are located in close proximity to one another and an opportunity exists to develop these together. Accordingly, they may be considered to be a Prospect.

Probabilistic volume method (Latin Hypercube – – 5,000 iterations)	*Gross attributable to Licence in mmbbls*				*Net attributable to the Group in mmbbls*					
	Low estimate P90	*Best estimate P50*	*High estimate P10*	*Mean*	*Low estimate P90*	*Best estimate P50*	*High estimate P10*	*Mean*	*Risk factor per cent.*	*Operator*
Combo 3 Layer Prospect (Mast/Mam/Rhino)	127	496	1,161	582	127	496	1,161	582	27	Enigma

Yours faithfully,
For HRT Petroleum

Marcio Rocha Mello
President of HRT Petroleum

INDEPENDENT PETROLEUM CONSULTANT'S CONSENT LIMITATIONS AND WAIVER OF LIABILITY

High Resolution Technology & Petroleum Ltda. ("HRT"), an independent petroleum consultancy, based in Rio de Janeiro, Brazil, knows that it is named as having prepared an independent report evaluating the hydrocarbon potential of the onshore and offshore assets of Chariot Oil & Gas Limited ("Chariot"). These exploratory blocks are under the licence and operatorship of Enigma Oil & Gas Exploration (Pty) Ltd. (a wholly-owned subsidiary of Chariot company located in Windhoek, Namibia). HRT hereby gives consent to the use of its name and to the said report. The effective date of the report is 12 May 2008.

In the course of the evaluation, Chariot provided HRT personnel with basic information which included petroleum and licensing agreements, geologic and geophysical information, contractual terms, studies made by HRT and other parties, economic evaluation spreadsheets and discussion of future plans. Any other engineering or geological data required to conduct the evaluation upon which the report is based, was obtained from public literature, and from HRT non-confidential files and previous technical resource evaluation reports on the subject assets. The extent and character of ownership and accuracy of all factual data supplied for this evaluation, from all sources, has been accepted as represented. HRT reserves the right to review all calculations referred to or included in the said report and, if considered necessary, to revise the estimates in light of erroneous data supplied or information existing but not made available at the effective date, which becomes known subsequent to the effective date of the report.

There is considerable uncertainty in attempting to interpret and extrapolate field and well data and no guarantee can be given, or is implied, that the projections made in this report will be achieved. The report and prospective resource estimates represent the consultant's best efforts to assess the assets within the scope, time frame and budget agreed with the client. Moreover, the material presented is based on data provided by Chariot; HRT cannot be held responsible for decisions that are made based on this data or reports. The use of this material and reports is, therefore, at the user's own discretion and risk. The report is presented in its entirety and may not be made available or used without the complete content of the report, except by Chariot in connection with the proposed Admission, which we have approved.

HRT is responsible for this report as part of the document to be published in connection with the admission of Chariot's entire ordinary share capital to AIM, a market operated by London Stock Exchange plc ("AIM") (the "Admission Document") and declares that HRT has taken all reasonable care to ensure that the information contained in this report, is to the best of HRT's knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in accordance with the requirements of Schedule Two of the AIM Rules for Companies (the "AIM Rules").

Save for the responsibility arising under Paragraph (a) Schedule Two of the AIM Rules and the guidance to Schedule Two set out in Part Two – Guidance Notes to the AIM Rules, to the fullest extent permitted by law, HRT does not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or statements contained therein, required by and given solely for the purpose of complying with the Guidance Note for Mining, Oil and Gas Companies, March 2006, the AIM Rules; and London Stock Exchange plc's rules for trading securities on AIM and consenting to inclusion of the report in the Admission Document.

Chariot has confirmed in writing to HRT that to its knowledge the information provided by it (when provided) was complete and not incorrect or misleading in any material respect, HRT has no reason to believe that any material facts have been withheld and Chariot has confirmed in writing to HRT that it believes it has provided all material information.

Marcio Rocha Mello

High Resolution Technology & Petroleum Ltda.

PROFESSIONAL QUALIFICATIONS AND BASIS OF OPINION

The evaluation presented in this report reflects our informed judgment based on accepted standards of professional investigation, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and engineering data. The evaluation has been conducted within our understanding of petroleum legislation, and other regulations that currently apply to these interests. However, HRT is not in a position to attest to the property title, financial interest relationships or encumbrances related to the property. Our estimates of prospective resources, and geological chance of success ("COS") are based on data provided by Chariot. We have accepted, without independent verification, the accuracy and completeness of this data.

The report represents our best professional judgment and should not be considered a guarantee or prediction of results. It should be understood that any evaluation of resource volumes may be subject to significant variations over short periods of time as new information becomes available and perceptions change.

HRT is a consultancy specialising in petroleum geology, geophysics, geochemistry, petrophysics, petroleum engineering, and economic analyses. HRT began undertaking reserves and resource reporting and valuation determinations in 2004. All personnel involved in such exercises have at the very minimum a master's degree in geosciences and many have doctorates. All personnel dedicated to this evaluation have a minimum of 20 years relevant valuation experience and in the case of the senior project leaders involved in this exercise, this period exceeds 20 years. Except for the provision of professional services on a fee basis, HRT and its employees have no commercial arrangement with any person or company involved in the interests that are the subject of this report.

HRT will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the Admission and HRT will receive no other benefit for the preparation of this report. HRT does not have any pecuniary or other interests that could be reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to Chariot's assets.

Neither HRT nor any directors of HRT have at the date of this report, nor have had within the previous two years, any shareholding in the Company, the Group's assets or advisers of the Company. Consequently, HRT and the directors of HRT, consider themselves to be independent of the Company.

In this report, HRT provides assurances to the Board of Directors of the Company that the work programme for Chariot's assets as provided to HRT by the Company, and reviewed, and, where appropriate, modified by HRT, are reasonable, given the information currently available.

This report includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors have occurred, HRT does not consider them to be material.

During the last seven months, HRT Petroleum has applied a petroleum system concept to evaluate the exploration potential of Chariot's assets in the Namibian offshore and onshore basins. This concept uses a multidisciplinary approach, encompassing integration of geology, geophysics, geochemistry and basin modelling methods, to focus on the nature, distribution and quantification of the elements and processes of the petroleum system. A group of ten HRT Petroleum system experts were directly involved in the evaluation of Chariot's assets. HRT has made use of its proprietary data bank, based on the results of the analysis of thousands of oil, gas and rock samples and the knowledge and experience of its technical team on the South Atlantic margin basins to perform the correlations and comparison of the petroleum system models and to characterise the Leads and Prospects identified during this study.

Marcio Rocha Mello

High Resolution Technology & Petroleum Ltda.

12 May 2008

CERTIFICATE OF QUALIFICATION
Marcio Rocha Mello

I, Marcio Rocha Mello, professional petroleum geologist/geochemist, with offices at Av. Atlântica 1130, 7th Floor, Copacabana, Rio de Janeiro, RJ, Brazil, and author of a property evaluation dated 12 May 2008 prepared for Chariot Oil & Gas Limited ("Chariot") for the purposes of its proposed admission to AIM, a market operated by London Stock Exchange plc, do hereby certify that:

- I am one of the owners of High Resolution Technology & Petroleum Ltda. HRT prepared a detailed evaluation of various interests owned by Chariot, as at 12 May 2008;
- I do not have, nor do I expect to receive any direct or indirect interest in the securities of Chariot and/or its' affiliated companies;
- I attended Brasília University, in Brasília, Brazil and graduated with a Bachelor of Science Degree in Geology in 1976; and in 1989, graduated from Bristol University, Bristol, UK, with a Ph.D. in petroleum geochemistry. I am a registered professional geologist in Brazil and I have in excess of thirty two years experience in conducting evaluation and engineering studies related to international oil and gas fields; and
- A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records and the files of Chariot.

Marcio Rocha Mello

High Resolution Technology & Petroleum Ltda.

Table of Contents

1. Executive summary

High Resolution Technology & Petroleum Ltda ("HRT Petroleum" or "HRT") carried out a petroleum system and hydrocarbon evaluation of the exploration portfolio of Chariot Oil & Gas Limited ("Chariot"), an independent oil and gas company.

Chariot is the holding company of Enigma Oil & Gas Exploration (Pty) Limited ("Enigma"), which currently has a portfolio of ten exploration Blocks in Namibia, eight of which are offshore and two onshore. All of these are in the exploration phase. These assets are operated by and licenced through Enigma, a 100% controlled subsidiary located in Windhoek, Namibia.

Offshore Blocks:

1) Blocks 1811A/B, Namibe Basin;

2) Blocks 2312A/B, North Half (N/2) of Blocks 2412A and 2412B, Walvis/Lüderitz Basins;

3) Blocks 2714A/B, Orange Basin.

Onshore Blocks:

1) Blocks 2518 and 2618, Nama Basin.

Licence details and locations of the Chariot Blocks can be found in Section 3 of this report.

HRT has applied a petroleum system concept to evaluate the exploration potential of Chariot's assets in the Namibian offshore and onshore basins. This concept uses a multidisciplinary approach, encompassing integration of geology, geophysics, geochemistry and basin modelling methods to focus on the nature, distribution and quantification of the elements and processes of the petroleum system. In order to support the petroleum system interpretations presented in this report, HRT has made use of its proprietary data bank, based on the results of the analysis of thousands of oil, gas and rock samples and the knowledge and experience of its technical team in the South Atlantic basins.

The elements of the petroleum systems identified in offshore Namibia are similar with those present in their Brazilian counterpart Campos, Santos and Pelotas Basins – where hydrocarbon reserves of approximately 44 billion barrels of oil have been discovered in the Greater Campos Basins – and also with offshore Angola, where 16 billion barrels of reserves have been found (please see Figure 4, in Section 3 of this report).

Analysis of geological, geophysical and geochemical data from offshore southeastern Brazil revealed strong similarities between these petroliferous provinces and the Namibian offshore basins with respect to their source and reservoir depositional sequences, rock types and oil fingerprinting. These results provide a clear analogue and a potential 'road map' for future oil and gas discoveries in offshore, deep water Namibia, as outlined further below.

The geological similarities date back 150 million years to when South America and Africa were conjoined. There is evidence that the principal lacustrine source rocks – responsible for 90% of the oil produced in Brazil and Angola – were deposited in the offshore Namibian Basins between 130 and 110 million years ago when the South Atlantic paleogeographic conditions were the same before the onset of rifting and continental drift moved them to their present day situations (please see Figure 2 in Section 3 which illustrates the rift and drift evolution of the continents over time).

The absence of the Aptian salt sequence in the offshore Namibian basins has resulted in a different tectonic-stratigraphic evolution for the post-Aptian sediments, which consequently affected trap formation, migration pathways, reservoir distribution, hydrocarbon preservation and leakage. However, the rift and sag sequences present in offshore Namibia are very similar to those observed in the Greater Campos Basin and as a result, it is reasonable to expect possible exploration analogues in offshore Namibia from the giant to supergiant accumulations in the Brazilian counterpart basins.

It should be noted that deep water discoveries offshore Brazil were only achieved recently, further to the drilling of over 1,100 exploratory wells in the Campos and 117 wells in the Santos Basins. At present, 14

wells have been drilled offshore Namibia – only two of which were in deep water – therefore, offshore Namibia is highly underexplored and must be considered as a new frontier for giant to supergiant oil and gas accumulations.

The integrated petroleum system concept used technologies ranging from RADARSAT-1 imaging of oil slicks, seismic interpretation and seismic mapping in time and depth to allow Prospect and Lead identification with volumetric quantification. PSDM seismic reprocessing with reinterpretation and mapping, high resolution molecular geochemistry, diamondoid and compound specific isotope analysis of diamondoids (CSIA-D) and biomarkers (CSIA-B) of the condensates recovered in the Kudu gas field, and 3D petroleum system modelling and exploration risk assessment were performed. The same suite of high resolution molecular geochemistry tools, were used by Petrobras to postulate the existence of deeper source rock in the Santos Basin which subsequently led to the discovery of three giant fields – Tupi, Carioca and Jupiter. Key findings following the application of this concept were:

- Diamondoid and biomarker analysis of the Kudu condensate indicates that oil, condensate and gas source rocks are present in the basin;
- Oil seeps identified offshore via RADARSAT-1 survey have delineated areas that are oil prone;
- Well control has identified intervals containing mature oil sourced from Albian-Cenomanian organic rich sequence;
- Seismic reprocessing has identified large structural and stratigraphic features, many with the presence of seismic amplitude anomalies; and
- Favourable migration pathways towards all the Prospects and Leads were identified. Also, the simulated oil and gas charge is sufficient to fill the mapped Prospects and Leads up to spill point.

In an effort to better understand the fluid system in the studied Blocks, two condensate samples from the Kudu-4 and Kudu-5 wells were analysed in detail using high resolution geochemistry technology ("HRGT"). Results from biomarkers, diamondoids, CSIA-D and CSIA-B analysis suggest an origin composed of a mixture of hydrocarbons from at least two distinctive petroleum systems:

- a very highly cracked condensate derived from Barremian lacustrine source rock similar to the Lagoa Feia source rocks present in the Campos and Santos Basin in Brazil (currently in post mature stage at the Kudu field);
- a black oil derived from Albian/Cenomanian marine source rock similar to the Albian-Cenomanian source rock sequence also present in the Campos and Santos Basin in Brazil (currently at peak to late oil-window stage).

The significant source rock similarity of these basins, together with the possibility of convergence of more than one active petroleum system in offshore Namibia, greatly increases the chances that Namibia could become a promising hydrocarbon province for both oil and gas in the South Atlantic realm.

PROSPECTS AND LEADS (OFFSHORE BLOCKS)

The seismic interpretation and mapping in time and depth (after special PSDM reprocessing) has led to the identification of one Prospect and one Lead in Block 1811A and a combined Prospect (3 Leads) and two additional Leads in Blocks 2714A & B (please see Figure 25 in Section 4).

The lack of good 2D seismic coverage and geological data over the Blocks 2312A & B, N/2 of 2412A and N/2 of 2412B in the Walvis/Lüderitz Basins, has only allowed the identification of exploratory upside at this point in time.

3D petroleum system modelling, calibrated with geological and geochemical data, was performed first at a regional scale and then in detail over Blocks 1811A & B and 2714A & B with good 2D coverage. The results support the conclusion that there are at least two active overcharged petroleum systems in the Blocks studied as mentioned above. Also, the simulations predict an oil prone system, where some gas generation can become important if older source rocks are proven to occur (e.g. Jurassic/Paleozoic).

The integration of all data (geological, geophysical and 3D petroleum system modelling), together with the application of a volumetric calculation using probabilistic methodology (the Latin Hypercube method) predicts the following for the combined Prospect and Lead inventory on Blocks 1811 and 2714:

- a mean original oil in place ("OOIP") of 15.7 billion barrels; and
- a mean prospective resource volume of 3.9 billion barrels of oil.

A probabilistic methodology was applied to calculate the prospective resources of each of the mapped Prospects and Leads. For the turbidite stratigraphic-structural play calculations in Blocks 2714A & B, a rock volume was derived based on a maximum of 30% of the mapped amplitude anomaly area. This was done in order to compensate for uncertainties related to reservoir facies and hydrocarbon saturation variability. For the carbonate Prospect in Block 1811A (Zamba), the maximum structural closure area was used.

The results of the volumetric calculations are detailed in the table below:

	Gross attributable to Licence in mmbbls				*Net attributable to the Group in mmbbls*					
Probabilistic Volume Method (Latin Hypercube – 5,000 iterations)	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Risk Factor %*	*Operator*
Prospect Zamba	335	793	1,816	968	335	793	1,816	968	14	Enigma
Lead Tapir	211	539	1,306	675	211	539	1,306	675	13	Enigma
Lead Scimitar	120	246	512	288	120	246	512	288	11	Enigma
Lead Mastodon	340	732	1,502	856	340	732	1,502	856	13	Enigma
Lead Mammoth	224	396	724	438	224	396	724	438	13	Enigma
Lead Woolly Rhino	51	173	606	258	51	173	606	258	13	Enigma
Lead Sabertooth Cat	208	378	670	417	208	378	670	417	11	Enigma
Total for oil & liquids *	1,489	3,257	7,136	3,900	1,489	3,257	7,136	3,900		

* *The total for oil and liquids numbers are not a summation – they have been probabilistically modelled.*

Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Risk factors in the 11 to 14 per cent range represent "relatively high risk" exploration.

Three of the Leads are located in close proximity to one another and an opportunity exists to develop these together. Accordingly, they may be considered to be a Prospect.

	Gross attributable to Licence in mmbbls				*Net attributable to the Group in mmbbls*					
Probabilistic Volume Method (Latin Hypercube – 5,000 iterations)	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Risk Factor %*	*Operator*
Combo 3 Layer Prospect (Mast/Mam/Rhino)	127	496	1,161	582	127	469	1,161	582	27	Enigma

Future work in these Blocks will consist of additional 3D seismic surveys to cover as much of the mapped Prospect and Lead inventory in Blocks 1811A and 2714A. A 2D complementary seismic survey in Blocks 2312 and 2412 is also under consideration.

By 2010-2011, Chariot will be in a position to elect to renew its Licences and potentially conduct a drilling campaign for the Zamba Prospect in Block 1811A and for the Combo 3 Layer Prospect in Block 2714A.

ONSHORE BLOCKS

Chariot's onshore Blocks are in the earliest stages of exploration. Oil seeps have been collected in the outcrop region, west of the 2518 and 2618 Blocks, in a cemented fault zone. This is a positive indication that a Palaeozoic or older age oil has been generated in the basin. The current exploration uncertainty centres around how much oil was generated and preserved throughout geological time.

Further exploration studies, encompassing surface geochemistry/microbiology and magneto-telluric methods, will be carried out in 2008/2009, aiming to assess the presence or absence of active and passive

source rock systems in the Blocks. If the presence of a source rock system is confirmed, additional 2D seismic could be acquired.

2. Reserves and resources definitions

The definitions employed in this evaluation conform to the 2007 Society of Petroleum Engineers ("SPE") and the Petroleum Resources Management System ("PRMS").

2.1 *Resources*

The SPE resources classification system is presented in Figure 1 and a summary of the definitions is given below:

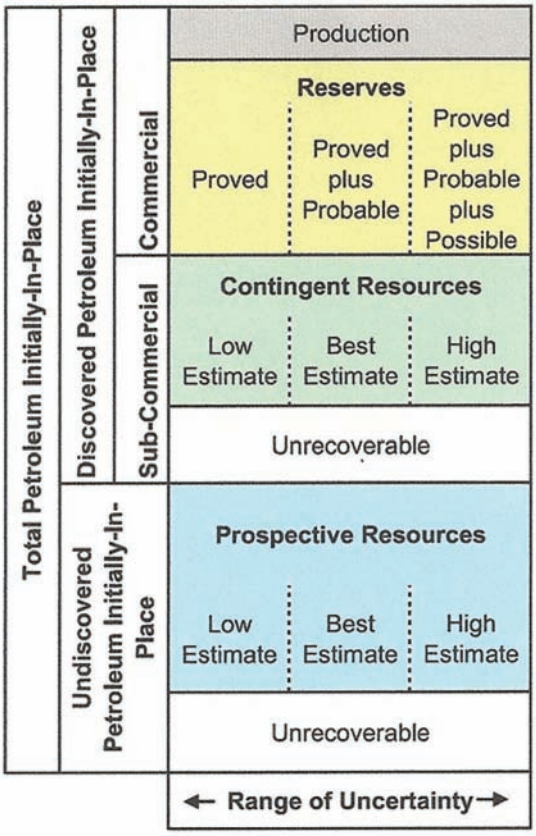


Figure 1 – Resource classification system.

The quantities estimated to be initially-in-place are defined as "total petroleum" initially-in-place, "discovered petroleum" initially-in-place and "undiscovered petroleum" initially-in-place, and the recoverable portions are defined separately as "reserves", "contingent resources", and "prospective resources". Reserves constitute a subset of resources, being those quantities that are discovered (i.e. in known accumulations), recoverable, commercial and remaining.

PROSPECTIVE RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that: There should be at least a 90% probability ("P90") that the quantities actually recovered will equal or exceed the low estimate. There should be at least a 50% probability ("P50")

that the quantities actually recovered will equal or exceed the best estimate. There should be at least a 10% probability ("P10") that the quantities actually recovered will equal or exceed the high estimate.

HRT Petroleum has estimated gross prospective resources using probabilistic simulation methods in order to determine a distribution of possible outcomes. HRT Petroleum used the Latin Hypercube method to present the results in this report, as such methodology is considered more suitable with the constraints of the available data. The probabilistic Latin Hypercube simulation input parameters for each of the estimates (e.g. area, reservoir net pay, porosity, oil saturation, volumetric and recovery factors) results in the definition of "low estimate" (P90), "best estimate" (P50), and "high estimate" (P10) values and a mean resource potential for each Prospect and Lead.

2.2 ***Chance of success***

HRT predicted the chance of success ("COS") of each of the Prospects and Leads within the portfolio. The COS is the chance of encountering the predicted sub-surface hydrocarbon accumulation at better than the P90 volumetric range.

The COS estimation is a subjective process dependent on the implementation of consistent guidelines for determining risk parameters based on a solid understanding of the geology and basic probability theory.

The COS is calculated from a number of independent attributes that are required for a Prospect or Lead to technically succeed. Each attribute is assessed separately (quantitatively) and combined to give an overall COS. The number of attributes is a matter for debate and is certainly not limited. In general, more risk terms will result in a smaller COS. There are typically four parameters: reservoir, source, trap and preservation/seal, which must be present and effective for a Prospect or Lead to succeed. COS is evaluated on the following basis:

- **Reservoir**: The chance of finding pore volume in the quoted range and the ability of the predicted reservoir to flow hydrocarbons at commercial rates;
- **Source**: The chance of finding mature source rock within the drainage area of the Prospect or Lead and the ability of the predicted source rock to charge the reservoir after trap formation (migration). The timing of hydrocarbon generation and subsequent migration is a critical component;
- **Trap**: The chance of finding the specified stratigraphic or structurally defined trap model with the predicted area and net pay; and
- **Preservation/top seal**: The chance of having a preserved hydrocarbon accumulation with satisfactory viscosity and API gravity properties to allow production and in addition, the ability of the local seals (top, basal and lateral) to trap and retain hydrocarbons once charged. The relative timing of trap formation and hydrocarbon generation (both primary and secondary) are critical elements required for a Prospect or Lead to succeed. For a successful outcome, trap formation must predate hydrocarbon migration.

Prospect and Lead COS is then calculated by assigning a value for each risk component that considers the presence and effectiveness of each. The risk parameters are then multiplied together such that:

COS = Rp x Sp x Trp x Pp

where Rp, Sp, Trp and Pp are the probabilities of reservoir, source, trap, and preservation/top seal.

The COS for the Chariot inventory of Prospects and Leads is detailed in the following summary table:

	Prospect and Leads – COS Risk Factors (%)							
Risk parameters	*TAPIR*	*ZAMBA*	*SCIMITAR*	*SABER-TOOTH CAT*	*MAM-MOTH*	*MAS-TODON*	*WOOLLY RHINO*	*MAST/ MAM/ RHINO*
Reservoir rock	65%	70%	70%	70%	65%	65%	55%	80%
Source rock potential	65%	65%	50%	50%	55%	55%	70%	60%
Trap	55%	60%	50%	50%	60%	60%	55%	75%
Preservation/top seal	55%	50%	60%	60%	60%	60%	60%	75%
TOTAL RISK FACTOR	13%	14%	11%	11%	13%	13%	13%	27%

Prospect and Lead characteristics were taken into consideration and the assigned risk parameters were used to generate the COS for each. For example, the **source potential** (i.e. the chance of finding mature source rock within the drainage area and the existence of charge) is greater in the Woolly Rhino Lead, due to the closer relationship of the source rock and potential reservoirs, which are within the same units, and are similar to the Kudu field.

Another example of the methodology can be illustrated through the **reservoir potential** in the Zamba Prospect. This parameter has an analogue that has been sampled in a nearby well (1911/15-1) which has good reservoir properties, and which gives more confidence in the estimations of occurrence of similar reservoirs in the Prospect.

The combination of the Leads Mastodon, Mammoth and Woolly Rhino would increase the chance of success for a discovery, because a single well can test three targets. The chance of finding reservoirs and traps are specifically more affected, while the source potential is the same. As a consequence the combined Leads have a greater chance of success; for this reason they were upgraded into a Prospect category.

In summary, although the seismic data coverage is sparse, mature source rocks have not been penetrated and salt sequence is absent south of the Walvis Ridge, the degree of certainty of the presence of petroleum system elements and processes in the Chariot Blocks is encouraging.

The integration of all the data available in the Namibian offshore areas, together with their similarities with the prolific southern Brazilian petroliferous basins, corroborates that the resulting COS of the Chariot Prospects and Leads are within the petroleum industry rank (10 to 15%) which classifies this as a *frontier exploration province*. The COS of the Combo Prospect (27%), which encompasses the Mastodon, Mammoth and Woolly Rhino Leads, has the same rank as known petroleum provinces.

The fact that there has been one discovery, the Kudu field, following the drilling of seven exploratory wells reinforces a frontier COS of 14%.

3. Concession overview

3.1 *Introduction: Namibia a new frontier for hydrocarbon accumulations in the South Atlantic*

The Namibian offshore basins are located in the south-eastern part of the South Atlantic margin (on the West African side), and extend from land out to the 3,000m isobath. These basins are directly related to the rifting of the African plate from the South American plate during lower Cretaceous times and can be classified as a typical divergent, mature, Atlantic-type continental margin. The evolution of the South Atlantic rift began in the Jurassic period with a divergent system that evolved into the passive margin basins of the present day (as seen in Figure 2 below).

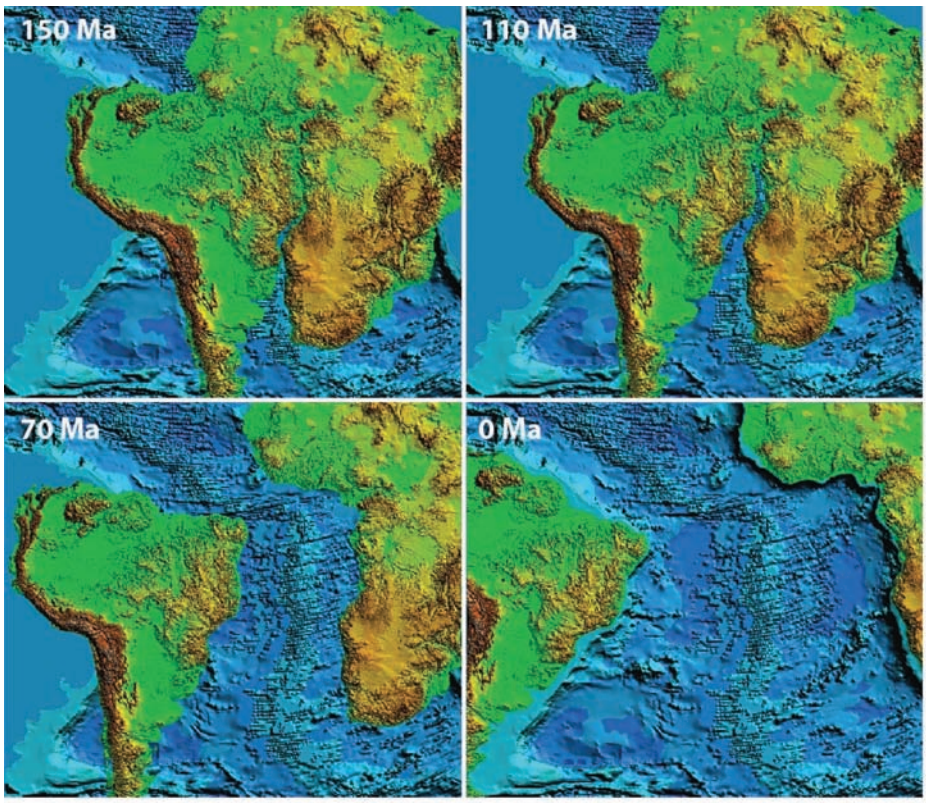


Figure 2 – South Atlantic rift and drift evolution through time -Jurassic (150 Ma), Albian (110 Ma), Cretaceous (70 Ma), and present day (0 Ma).

Hydrocarbon exploration in the South Atlantic Namibian basins is far from established and seismic data is sparse, even by new frontier standards. There have been a total of fourteen wells drilled offshore Namibia to date, of which seven are classified as exploratory and seven are appraisal wells to the Kudu gas discovery (3 trillion cubic feet of gas, source: Tullow Oil) which is, as yet, the only discovery in the region. Five of the seven exploration wells were drilled in shallow waters up on the shelf. The only two deepwater wells are located in the Walvis Basin (well 2012/13-1, drilled by Sasol in 1995), and in the Lüderitz Basin (well 2513/8-1, drilled by Norsk Hydro in 1998). (See Figure 3 below).

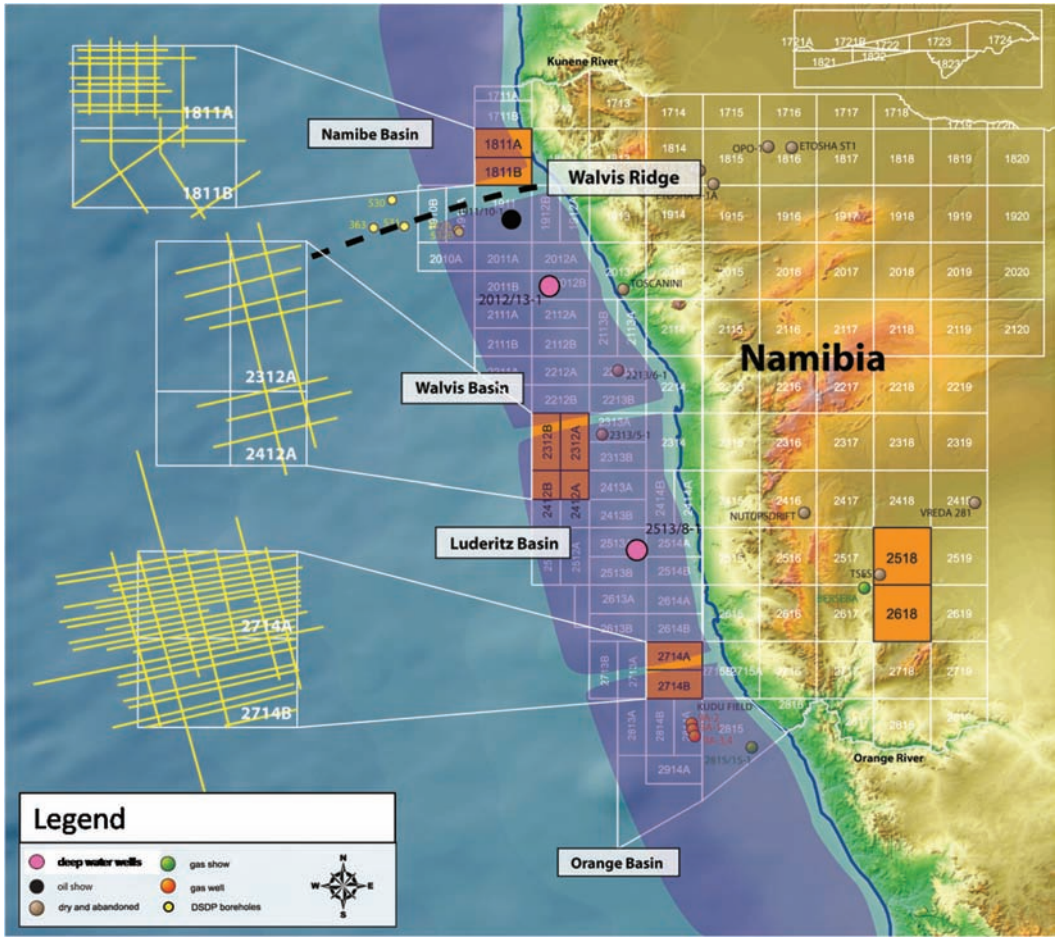


Figure 3 – Location of Chariot Blocks in the Namibia offshore and onshore basins. Seismic lines over Chariot Blocks shown as red lines. Location of deep water wells drilled to date also detailed.

Figure 4 – Distribution of hydrocarbon reserves along the Western and Eastern South Atlantic margins showing the major discoveries in the region to date. "BOE" means barrels of oil equivalent. Source: HRT Petroleum. Data sourced from WorldOil.com.

It is important to mention that all wells drilled to date are located outside the areas that HRT has indicated as being most prospective for oil and gas hydrocarbon potential.

As previously mentioned, the deepwater areas of offshore Namibia show similar oil and gas petroleum systems to those of the Campos and Santos Basins in Brazil, and it is thought that these systems continue further to the south into the Pelotas Basin. As with Namibia however, the Pelotas is underexplored and there is little data available at present (Figure 4, above).

The occurrence of the Kudu gas/condensate accumulation and several natural oil slicks detected by RADARSAT satellite imagery in the areas of interest also indicate the presence of actively generating source rock systems.

Additionally, deep water exploration in the last few years offshore Angola has yielded giant and super giant petroleum discoveries which have added to an Angolan total of 16 billion barrels of reserves (see Figure 5, below). Namibia shares the same source rocks as these discoveries providing further support to the rationale for large hydrocarbon accumulations to the south.

The Namibian offshore basins can also be considered strategic within the African scenario, because they are located in close proximity to the South African energy market.

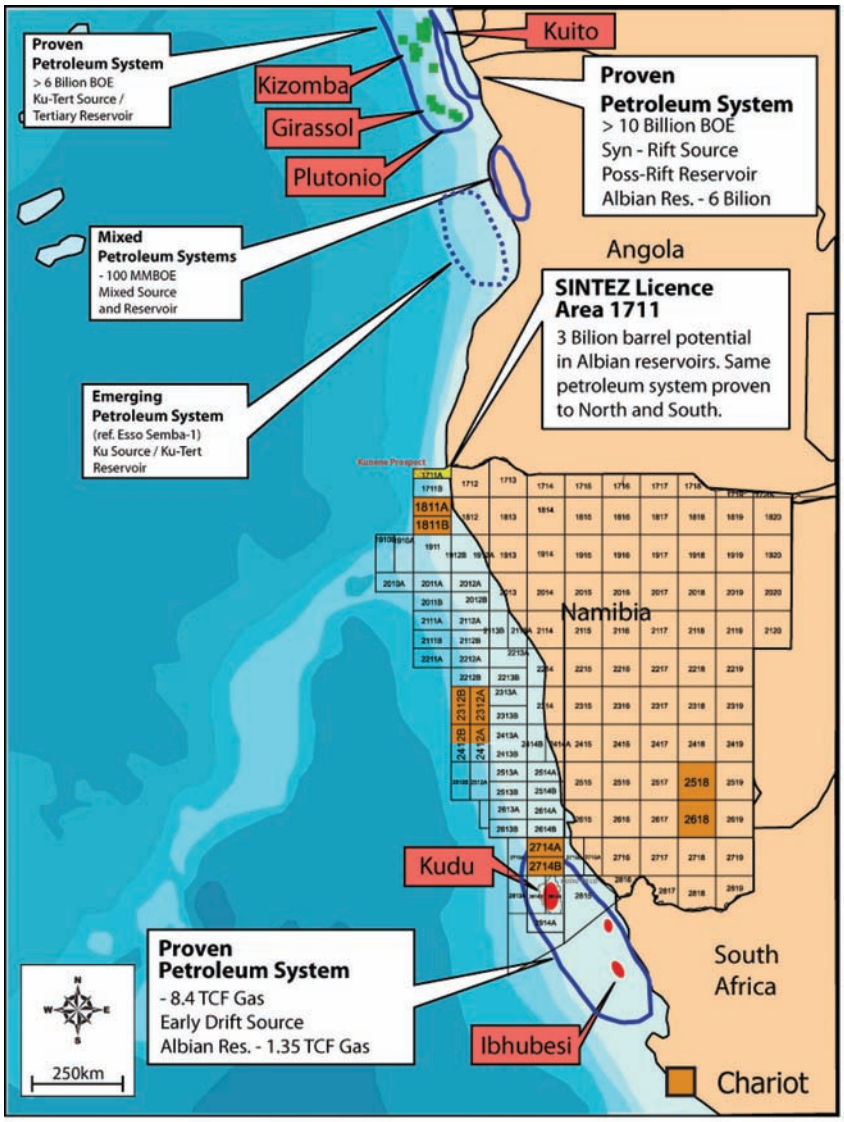


Figure 5 – South-eastern part of the South Atlantic margin with the distribution of the major discoveries in the region. (Source: Energulf)

3.2 ***Chariot Assets:***

Chariot is the holding company of Enigma, a 100% controlled subsidiary located in Windhoek, Namibia. Enigma currently holds a portfolio of ten exploration Blocks in Namibia, eight of which are offshore and two onshore (Figure 6). All of these assets are currently in the first exploration period, and are operated by and licenced through Enigma.

Offshore Blocks:

1) Blocks 1811A/B, Namibe Basin;

2) Blocks 2312A/B, North Half (N/2) of Blocks 2412A and 2412B, Walvis/Lüderitz Basins;

3) Blocks 2714A/B, Orange Basin.

Onshore Blocks:

1) Blocks 2518 and 2618, Nama Basin.

The table below outlines the details of the Licences. The geographic location of the Blocks is found in Figure 6 below.

OFFSHORE BASINS

Asset	*Licence Numbers*	*Operator*	*Interest (%)*	*Status*	*Licence expiry date-first exploratory phase*	*Licence area*	*Comments*
Block 1811A	0014	Enigma	100	Exploration	31 August 2010	5,481km^2	
Block 1811B	0014	Enigma	100	Exploration	31 August 2010	5,481km^2	
Block 2312A	0019	Enigma	100	Exploration	31 August 2010		
Block 2312B	0019	Enigma	100	Exploration	31 August 2010		
N/2 of Block 2412A	0019	Enigma	100	Exploration	31 August 2010	16,801km^2	MINIMUM 4 YR EXPLORATORY PERIOD
N/2 of Block 2412B	0019	Enigma	100	Exploration	31 August 2010		
Block 2714A	0020	Enigma	100	Exploration	31 August 2010	5,481km^2	
Block 2714B	0015	Enigma	100	Exploration	31 August 2010	5,481km^2	

ONSHORE BASIN

Asset	*Licence Numbers*	*Operator*	*Interest (%)*	*Status*	*Licence expiry date*	*Licence area*	*Comments*
Block 2518	0021	Enigma	100	Exploration	31 August 2010	22,196 km^2	MINIMUM 4 YR EXPLORATORY PERIOD
Block 2618	0021	Enigma	100	Exploration	31 August 2010		

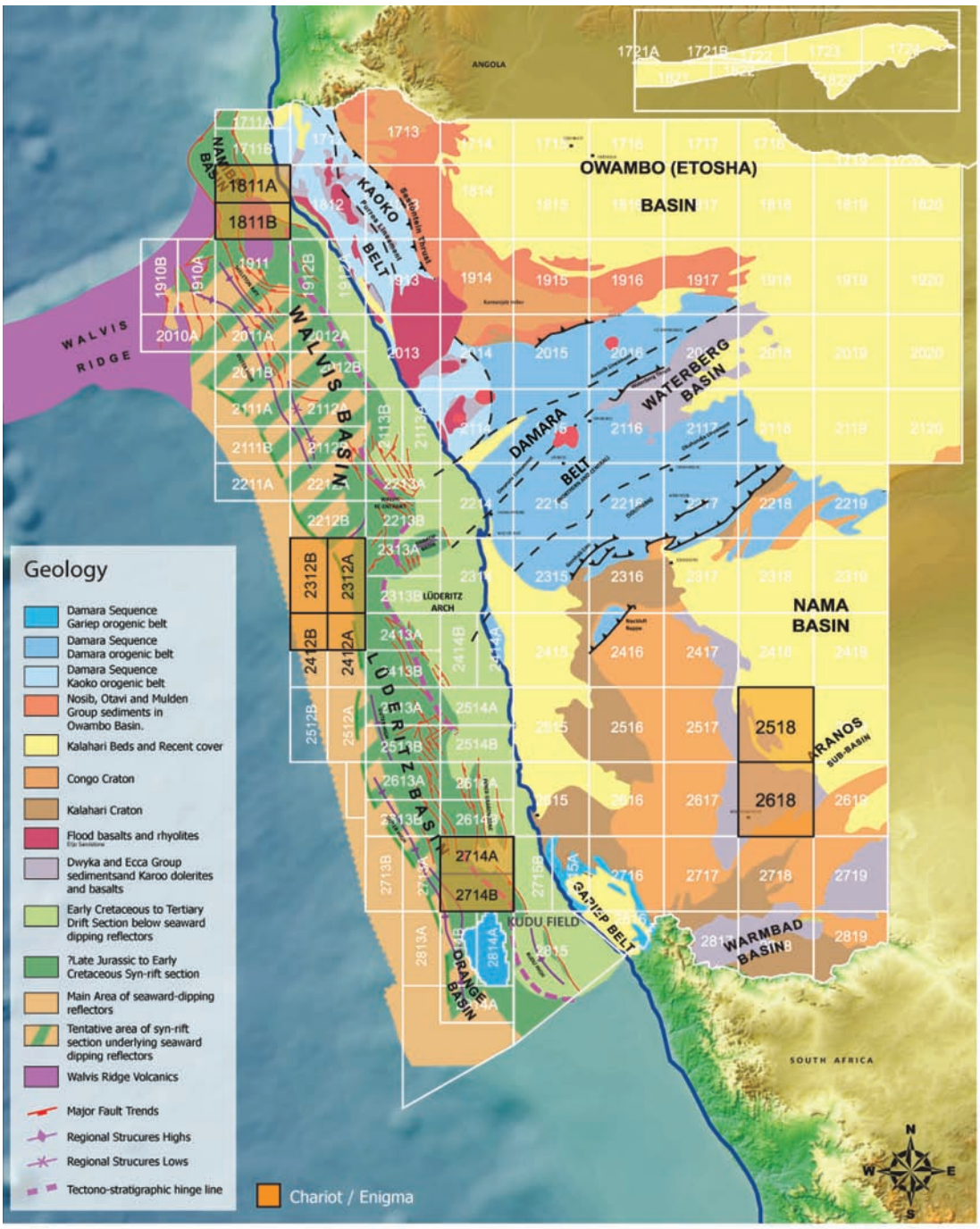


Figure 6 – Location map of Chariot's Assets (Enigma licenced areas).

Offshore Namibia (Namibe, Walvis/Lüderitz, Orange Basins)

Analysis of data from offshore Namibia, revealed strong correlations between the Brazilian petroliferous provinces and the West Namibian marginal basins with respect to their depositional sequences, rock types and oil fingerprinting. These results provide a clear, analogue example and a potential 'road map' for future reserve discoveries in offshore, deep water Namibia, as outlined further below.

The integration of geological and seismic data in depth (after special PSDM reprocessing) has led to the identification of one Prospect and one Lead in Block 1811A and a combined Prospect (3 Leads) and two additional Leads in Blocks 2714A & B. The lack of good 2D seismic coverage and geological data over the Blocks 2312A & B, N/2 (northern half) of 2412A and N/2 (northern half) of 2412B, in the Walvis/Lüderitz Basins, has only allowed the identification of exploratory upside at this point in time.

The integration of in-depth seismic maps with fully compositional 3D petroleum system modelling predicts, for the combined Prospect and Lead inventory on Blocks 1811 and 2714, a mean original oil in place ("OOIP") of 15.7 billion barrels and a mean prospective resource volume of 3.9 billion barrels of oil using a probabilistic methodology.

3.3 ***Summary of the general geology***

The offshore Namibian province south of the Walvis Ridge can be subdivided into three sedimentary basins, the Walvis, Lüderitz and Orange Basins, which are separated by structural highs (Figure 7 below). Evaporites are present in the transition sequence from the rift to the drift phases.

It is possible to recognise nine common evolutionary phases between the Namibian and Brazilian marginal basins (Figure 8 below):

i) A pre-rift sequence that includes Jurassic and possibly Palaeozoic sedimentary rocks;

ii) An initial active rift phase with tilted blocks (Neocomian/Lower Barremian) that was a direct result of the South Atlantic opening. The process involved the rotation of fault-bounded blocks with half-grabens tilting towards the southwest. A regional unconformity separates the rift event from the overlying sag comprised of non marine clastics and volcanic rocks of the transitional sequence;

iii) A rift 2 phase ranging in age from late Barremian to early Aptian. This rift phase ceased once sea floor spreading and flexural subsidence of the margin without conspicuous faulting started. This period represents the first marine ingressions;

iv) A transitional phase ranging in age from late Aptian to middle Albian when a regional transgression occurred with subsequent progradation during later Albian time;

v) A drift sequence ranging in age from middle Albian – Cenomanian;

vi) A drift sequence ranging in age from late Cenomanian/Turonian to Santonian;

vii) A drift sequence ranging in age from Santonian to Maastrichtian;

viii) A drift sequence ranging in age from Paleocene to Miocene; and

ix) A drift sequence ranging in age from Miocene to Recent.

Each drift sequence is comprised of marine sediments.

In the South Atlantic basins, volcanism was very important both in the rift and sag phases due to the sea floor spreading and the emplacement of seaward dipping reflectors, represented by these volcanic rocks.

Another important characteristic of these basins is the dominance of siliciclastic sedimentation when compared to the basins located north of the Walvis Ridge, in the Namibe Basin, where carbonates have been the dominant type of sedimentation during Albian/Cenomanian time. In the well 1911/15-01, 370m of carbonates ranging in age from Barremian to middle Albian were encountered. These carbonates were deposited over a volcanic high, associated with the formation of the Walvis Ridge (see Figure 7).

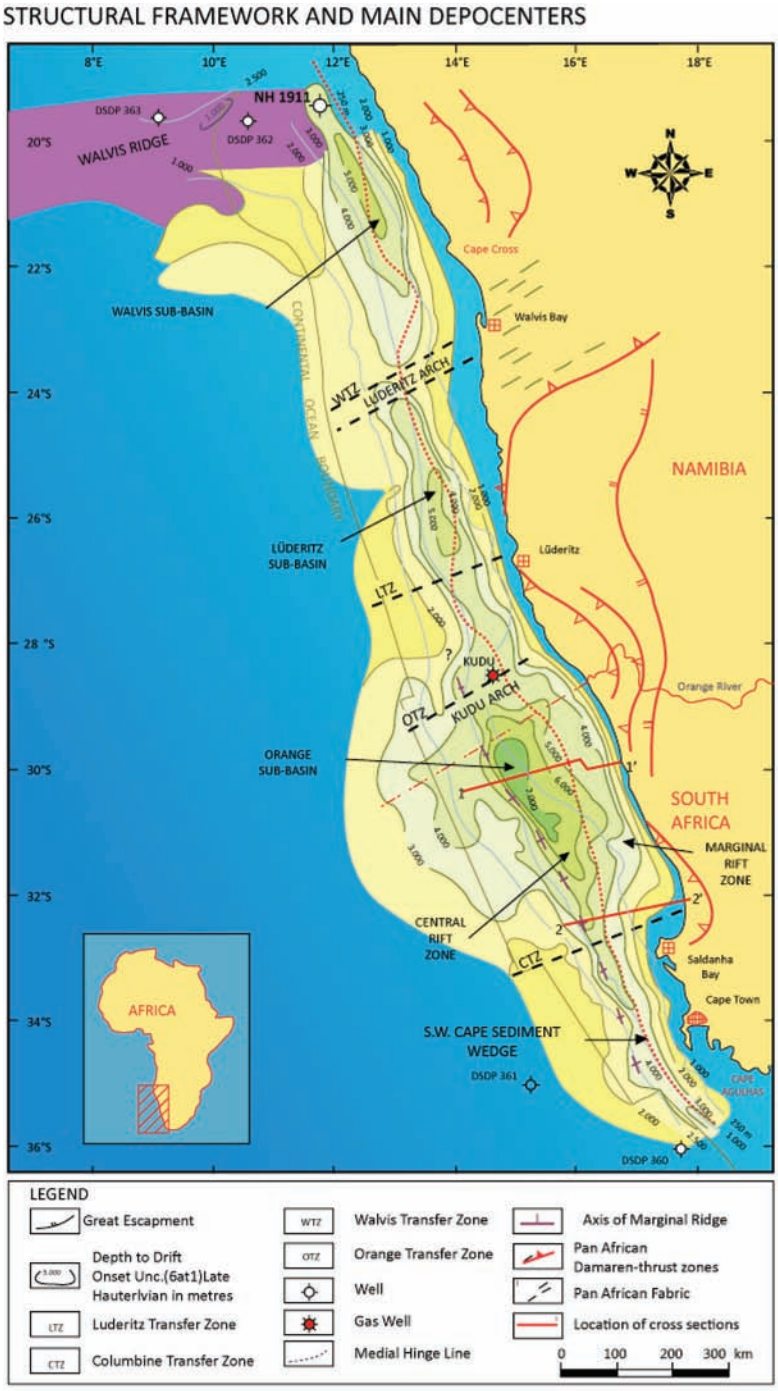


Figure 7 – Map of the Southwest African offshore basins with the main structural framework and sediments depocenters of the Walvis, Lüderitz and Orange Basins (Modified from Gerrard & Smith, 1980).

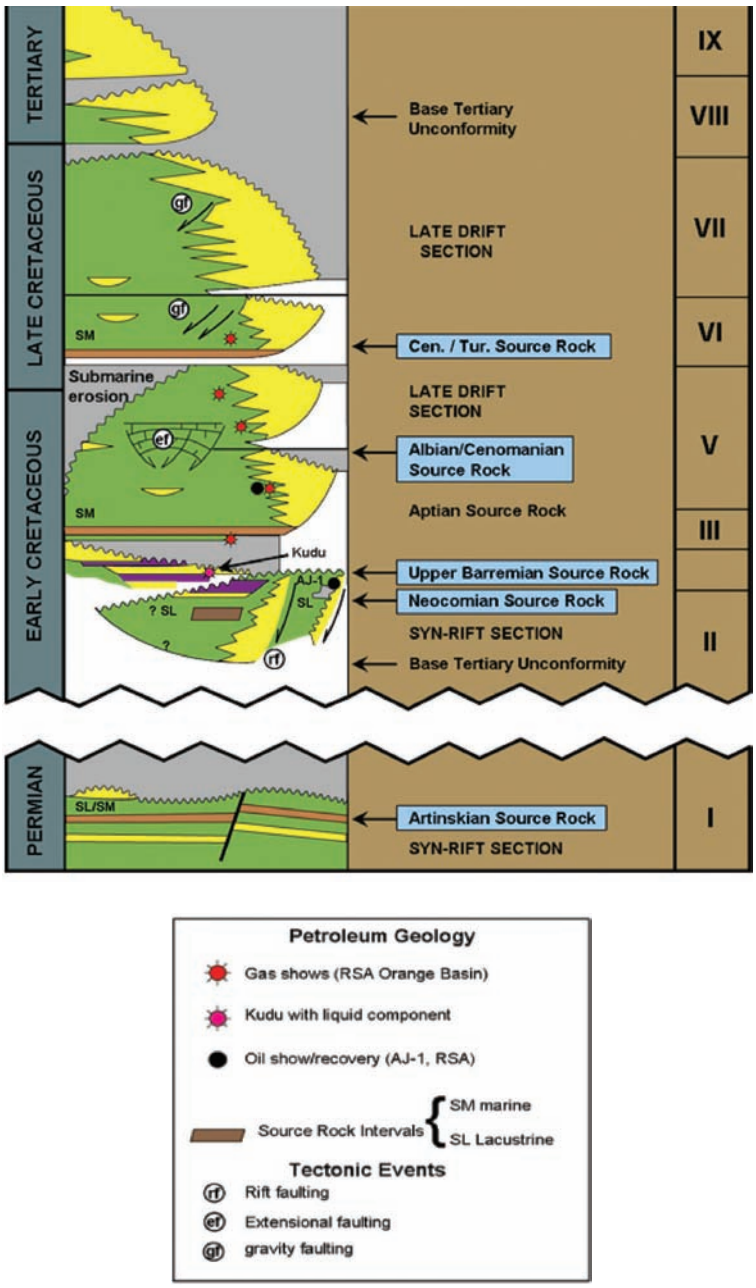


Figure 8 – Stratigraphic chart with main evolution stages of the Southwest African offshore basins indicating main source and reservoir rock intervals and gas and oil occurrences. (Modified from R.Bray, S. Lawrence and R. Swart, 1998)

3.4 *Petroleum system*

A multidisciplinary approach, utilising the petroleum system concept was conducted to evaluate the Blocks. This involved geochemical, geological, geophysical and biostratigraphic analysis. It should be noted that further exploratory work is continuing.

The petroleum system concept shifts emphasis from the rock to the fluid system of already discovered petroleum occurrences (Magoon et al., 1984; Mello et al., 1995). The Petroleum system approach is the most appropriate method to evaluate exploration risk, even in under explored provinces such as the offshore Namibian basins. When exploration risk is evaluated in a sedimentary basin, it is necessary to investigate three independent variables: “hydrocarbon charge”, “trap,” and “timing”. Hydrocarbon charge is the oil and gas fluid system that would exist in the trap, if it were present. Trap is the sedimentary rock that includes reservoir and seal rocks, and the trapping geometry formed by

reservoir-seal interface. Timing is whether the trap formed before the hydrocarbon charge entered the trap (Magoon et al., 1984).

The starting point for any investigation is to determine the presence of petroleum. In the evaluation of the Chariot Blocks, condensate samples from the Kudu gas field were analysed. After a series of high-resolution geochemistry tests, including biomarker and diamondoid analysis, it has been concluded that the Kudu condensate is a mixture of hydrocarbons from at least two different source rocks. In general, if one type of hydrocarbon occurs in a petroleum sample, there is one petroleum system working, so, as a rule of thumb, there are at least as many petroleum systems as there are oil types. Therefore, in this case, there is strong indication of two active pods of source rocks.

The recognition of analogue petroleum types in the Greater Campos and Santos petroliferous basins offshore Brazil further develops the understanding of the hydrocarbon source potential in the Chariot Blocks.

Three giant to super giant discoveries have recently been reported in Brazil's offshore Santos Basin. Brazilian oil producer Petrobras confirmed its Tupi discovery on Block BM-S-11 in a press release on November 8, 2007: "Based on its analysis, Petrobras estimates volumes of recoverable light oil and natural gas of between 5 and 8 billion barrels. Also the gravity of the oil is 28° API".

BG Group announced an oil discovery named Carioca on the 6 September 2007 within the BM-S-9 concession, 50 miles west of Tupi, which they are exploring with partners Petrobras and GALP Energia. Initial findings indicate that this has the potential to be larger than the Tupi Prospect. The Carioca discovery well (1-SPS-050) was spudded in April 2007 and the well reached a total depth of 21,876-ft TD in the pre-salt Aptian Guaratiba Formation in July 2007. It tested 2,900 barrels of oil per day of 27°API oil and 2 million cubic feet of gas.

On January 24, 2008, a third discovery, Jupiter, was announced on the BM-S-24 Block by Petrobras. Petrobras has said that the 1-RJS-652 Jupiter well, located 24 miles to the east of Tupi and which looks to be of similar size, is an important gas condensate discovery.

Combined, the discoveries at Tupi, Carioca and Jupiter would be the largest discovery in the last 30 years.

Exploration results in the Santos Basin prior to the Tupi discovery had been disappointing. Only 117 exploratory wells have been drilled in the basin, compared to more than 1,100 wells in the Campos Basin to the north. Cumulative production in Santos to date is about 260 million cubic feet of gas, which is from the Merluza Field. No oil or liquids production has occurred to date.

It is important to note, as highlighted by these three finds, that there is still great potential to discover giant and super giant oil fields in under-explored areas, and also that areas previously seen as being gas provinces can have oil reserves in close proximity. Please see Figure 9 below for locations of large discoveries in the Santos Basin.

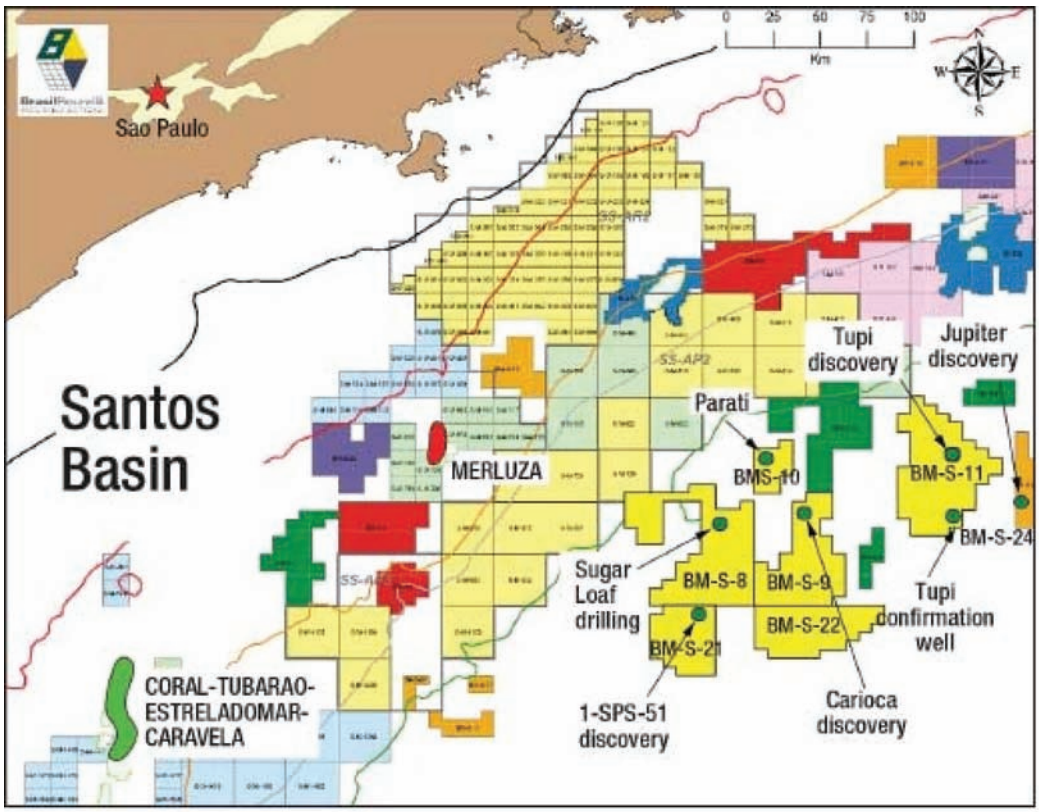


Figure 9 – Map of the Northern Santos Basin showing the exploratory blocks from the Brazilian bid rounds 1 to 9 (ANP) and the wells in which Petrobras has recently drilled, discovering more than 30 billion barrels of oil reserves in the pre-salt sequences (Taken Berman, 2008 WorldOil.com). Please also note the close proximity of these major discoveries.

3.5 ***Tectonic-stratigraphic settings and play types.***

The main reservoirs and traps expected in Namibia are (see Figure 10):

1. Pinch-out traps of Barremian to Aptian aeolian and fluvial sandstones associated with volcanic rocks, and charged with hydrocarbons from the Barremian-Aptian-Albian source rocks (Kudu model). Additionally, it is possible to expect the occurrence of Palaeozoic rocks, such as the 'Whitehill Formation' Permian shales, within the pre-rift succession, which in special situations could also be an important source rock for this play;

2. Rotated fault blocks trap with Aptian-Albian reservoirs or transgressive sandstones associated with mid-Cretaceous unconformity level over structural highs and charged with Aptian-Albian & Cenomanian-Turonian source rocks;

3. Pinch-out trap of upper Cretaceous channelised and basin floor turbidite sandstones, charged with same source rocks as noted in point 2 above; and

4. Pinch-out trap of tertiary plays associated with channelised and basin floor turbidites, charged with same source rocks as in point 2 above – these plays are still untested.

The first hydrocarbon accumulations expected in the Chariot Blocks are controlled by the lateral and stratigraphic pinch out of the sandstone turbidite reservoirs to the east to close against listric faults; the second are expected in rotated fault blocks trap of Aptian-Albian reservoirs; and the third would be transgressive sandstones associated with mid-Cretaceous unconformity level over structural highs and charged with Barremian-Aptian-Albian & Cenomanian-Turonian source rocks similar to those observed in the Brazilian basins (Figure 10).

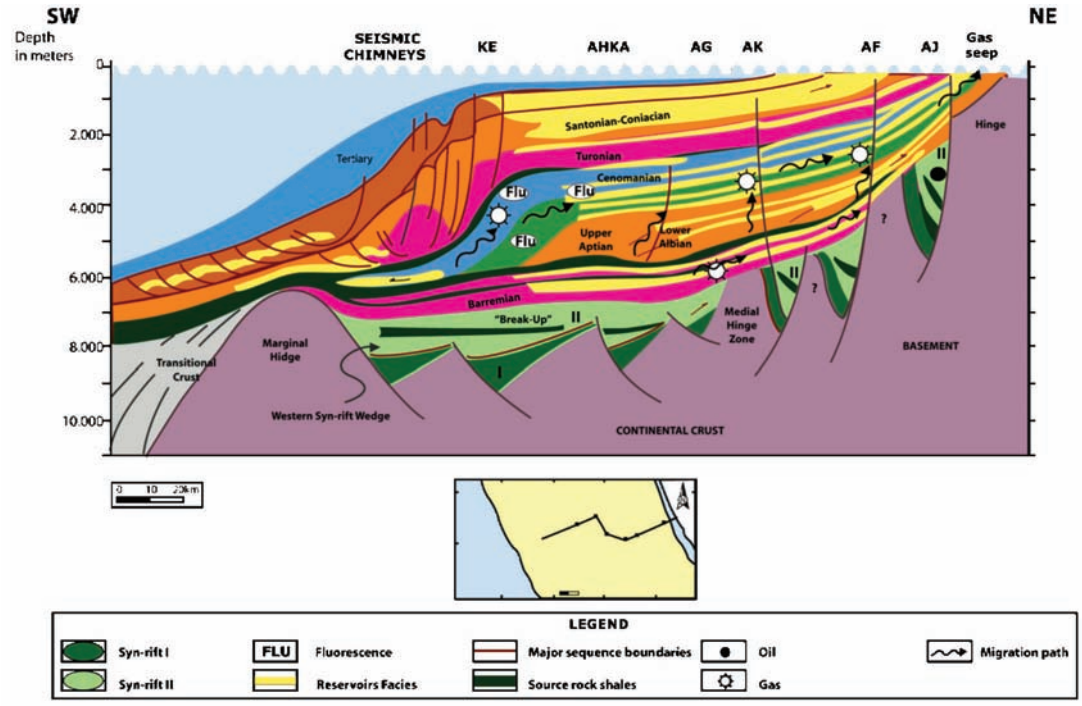


Figure 10 – Geological cross section in offshore Namibia, showing the main plays of the petroleum systems (Modified from Jungslager 1999).

3.6 Source rock and hydrocarbon characterisation

3.6.1 *Source rocks*

In the offshore area of Namibia, the source rocks are predicted to be represented by Barremian/Aptian and Albian/Turonian black shales (see Figure 11 with examples of data obtained from the Kudu field and deep sea drilling programme ("DSDP") wells) where they are oil and gas-prone. Basin modelling calibrated with geological and geophysical data obtained from the few wells already drilled in the study area, has indicated that the lower to mid-Cretaceous source rocks range from immature, in the shallow waters, to in-the-oil-window, in the deep water areas of offshore Namibia. Pods of generating source rock have been mapped in the blocks immediately to the north of Chariot's Blocks. The same source rock systems have been identified for the Kudu gas/condensate field (see Figure 12 below). Such post-rift and syn-rift source rock systems are present in the Santos and Campos Basins and also in Angola, where they are largely oil-prone, and have charged pre and post-salt reservoirs with, combined, more than 60 billion barrels of oil and gas equivalent (please refer to Figure 4).

Source rocks have also been predicted in the 'Whitehill Formation' Permian shales or older Palaeozoic rocks from the pre-rift succession in South-Western Africa, which in special situations could have sourced part of the Kudu gas accumulated in the aeolian sandstones, intercalated with the volcanic rocks of the Neocomian /Barremian sequences. Please see Figure 11 below for further source rock information from the area wells.

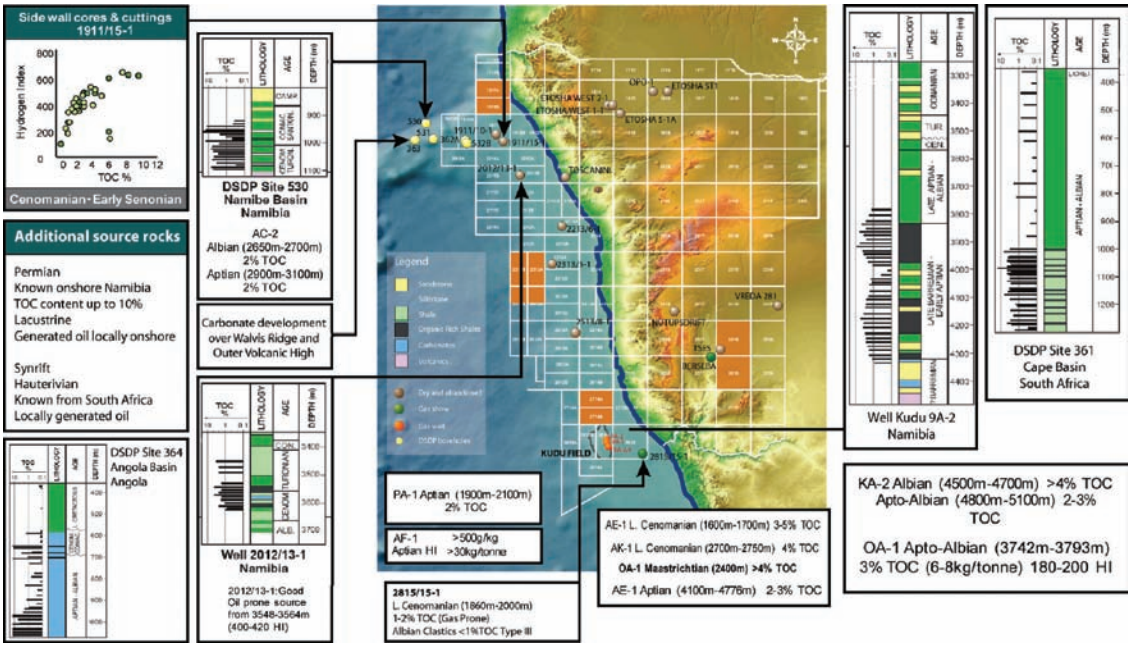


Figure 11 – Total organic carbon ("TOC") and hydrogen index values distribution according to ages, lithology, and depth in the wells drilled in the region offshore Southwest African coastal basins, depicting the suggested source rocks intervals (Modified from Bray et al.,1998).

3.6.2 *Hydrocarbons*

In the absence of wells that have penetrated mature source rocks in the offshore Namibian basins, detailed molecular geochemistry technology using biomarker and diamondoid analysis applied to the two Kudu condensate samples has been critical in determining the presence of mature and active source rock systems.

The application of the high resolution geochemistry techniques ("HRGT") on the above mentioned samples enabled the identification and characterisation of lacustrine and marine oil types in Namibia and to correlate them with their counterparts from across the South Atlantic in Brazil.

The most critical objective was to confirm the presence of the analogue lacustrine saline source rocks (e.g. Lagoa Feia Fm. in Campos and Santos Basins, Brazil) that are responsible for almost all the hydrocarbon resources found in the Brazilian and Angolan South Atlantic basins (e.g. Bucomazi Fm.; Schoellkopf and Patterson, 2000). Additionally, the target was to predict the existence of a marine Albian-Cenomanian active petroleum system, as observed in Angola (Katz, 2000) and Brazil, and to determine whether multiple sources have contributed to the accumulations.

This approach was based on the distributions and concentrations of biological markers which assessed age, deposition, thermal cracking, and carbon isotopes from diamondoid and biomarker compounds (Moldowan et al., 1985; Mello et al., 1988; Mello and Maxwell, 1991; Mello et al., 1996; Dahl et al., 1999: and Moldowan et al., 2001).

The use of the specific biomarkers, diamondoids and specific carbon isotope analysis of diamondoids ("CSIA-D") and biomarkers ("CSIA-B") has allowed geochemists to not only identify different oil types but also to determine the approximate age and depositional environment of source rock systems. This is of extreme importance when determining the presence of active petroleum systems and has a profound impact on exploration strategies where mature source rocks have not been sampled such as in offshore Namibia.

Petrobras used the same suite of state of the art tools to postulate the existence of deeper source rock in the Santos Basin which subsequently led to the discovery of the three giant fields mentioned previously – Tupi, Carioca and Jupiter.

This methodology was applied to two condensate samples recovered from Barremian sandstone reservoirs in the Kudu field (Figure 12).

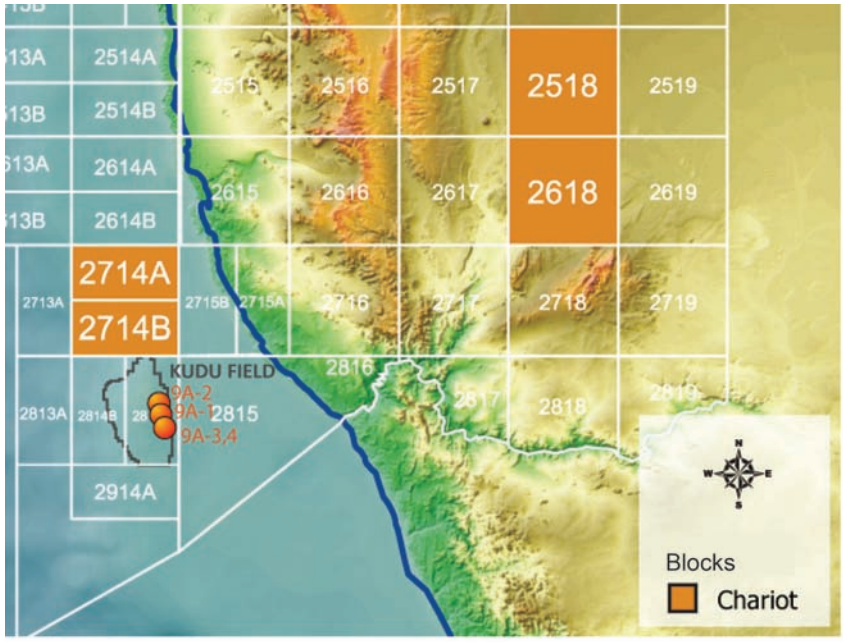


Figure 12 – Location of the Kudu gas field where two condensate samples were taken for HRGT analysis.

Biomarker compounds reported for Kudu condensates are extremely weak. With such weak biomarker data, it is possible that the biomarkers detected actually come from a secondary source and that the principal source is not represented by them. The presence of 28,30-bisnorhopane (only found in free bitumen) supports the possibility that the biomarkers represent a minor contribution that was picked up by the majority of the Kudu gas/condensate flushing through less-mature sediments. In this case the larger portion of gas and condensate could well be generated by a deeper source, probably from the rift section of Neocomian age (e.g. Barremian).

Diamondoids for high maturity oil

Diamondoid concentrations in Kudu-4 and Kudu-5 condensate samples showed values of 308 and 371 ppm, respectively. These very high values are indicative of highly cracked condensates (Figure 13 below). If the diamondoid baseline is 5 ppm then this condensate would be greater than 98% cracked (based on Dahl et al., 1999). However, for mixed/co-sourced oil this calculation would only apply to the very mature condensate in the mixture, but not to the "black" oil component.

Such diamondoid cracking results convert to vitrinite reflectance values ("%Ro") greater than 2% for the cracked oil source implying a very deeply buried source rock unattainable by current drilling technologies.

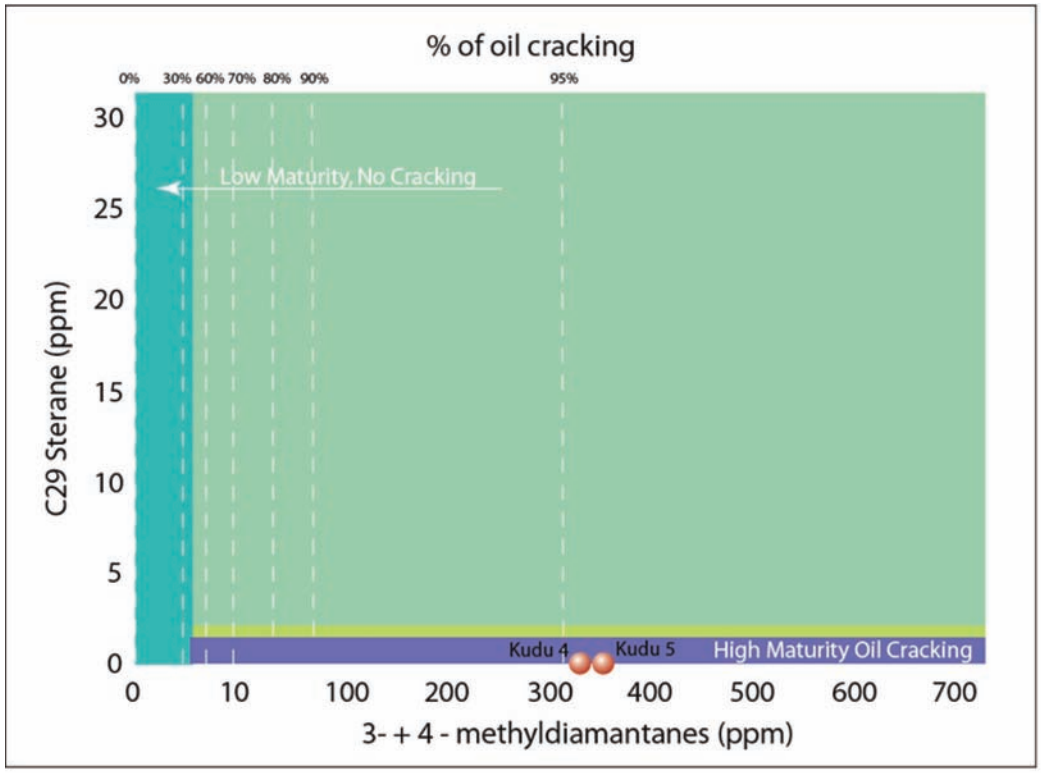


Figure 13 – Diamondoid cracking data of the Kudu condensate samples. As can be observed, both samples suggest a high maturity, highly cracked stage greater than 98%.

The specific biomarker used for determining the black oil contribution to the Kudu samples (a C_{29}-sterane, Figure 13) is in very low concentrations. Therefore, the contribution of a co-source in the oil window for these particular samples is very low.

In order to identify the origin of the highly cracked condensates that represent more than 98% of the Kudu samples, a compound specific isotope analysis of the diamondoids (CSIA-D) was performed. The results show distributions with poor correlations with Albian-Cenomanian marine oils from the Santos Basin (Figure 14; HRT database), and Permian Irati shale-oil from the Paraná Basin in Brazil (Figure 15; HRT database).

On the other hand, the CSIA-D data for the Kudu oils show identical isotope signatures when compared with the lacustrine oils derived from Barremian source rocks from the Santos and Campos Basins (Figure 16; HRT database). This resemblance strongly suggests that diamondoids of the Kudu condensate have been generated in similar Barremian source rocks on the Namibian margin. The per-mil range offsets of the isotope curves of these lacustrine oils (Figure 15), and in fact, the offset between the curves for Kudu-4 and Kudu-5, could be in response to facies differences among the lacustrine source rocks for these oils.

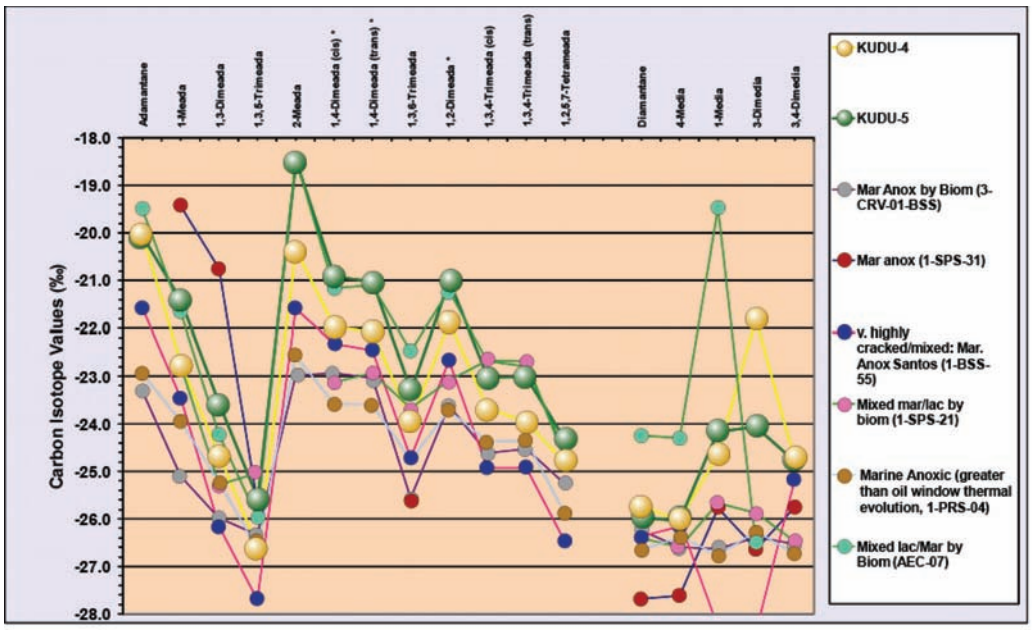


Figure 14 – Condensate samples Kudu-4 and Kudu-5 show lack of correlation with some Brazilian oils derived from marine source rock based on isotope values of diamondoids.

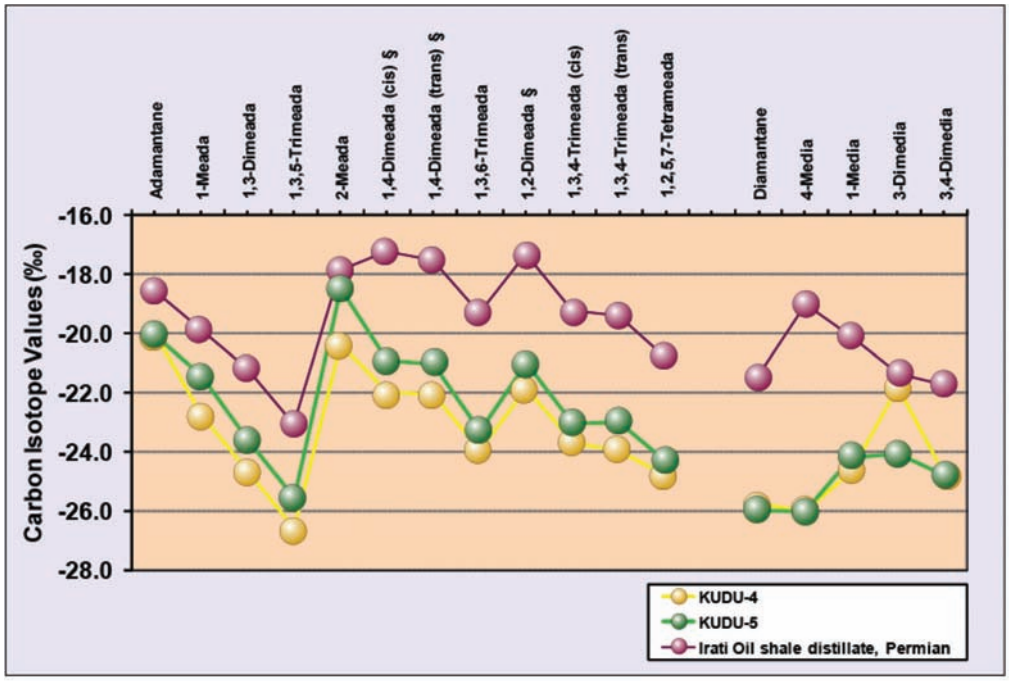


Figure 15 – Condensate samples Kudu-4 and Kudu-5 show lack of correlation with a Permian, Irati formation, shale oil from Paraná Basin, Brazil based on isotope values of diamondoids.

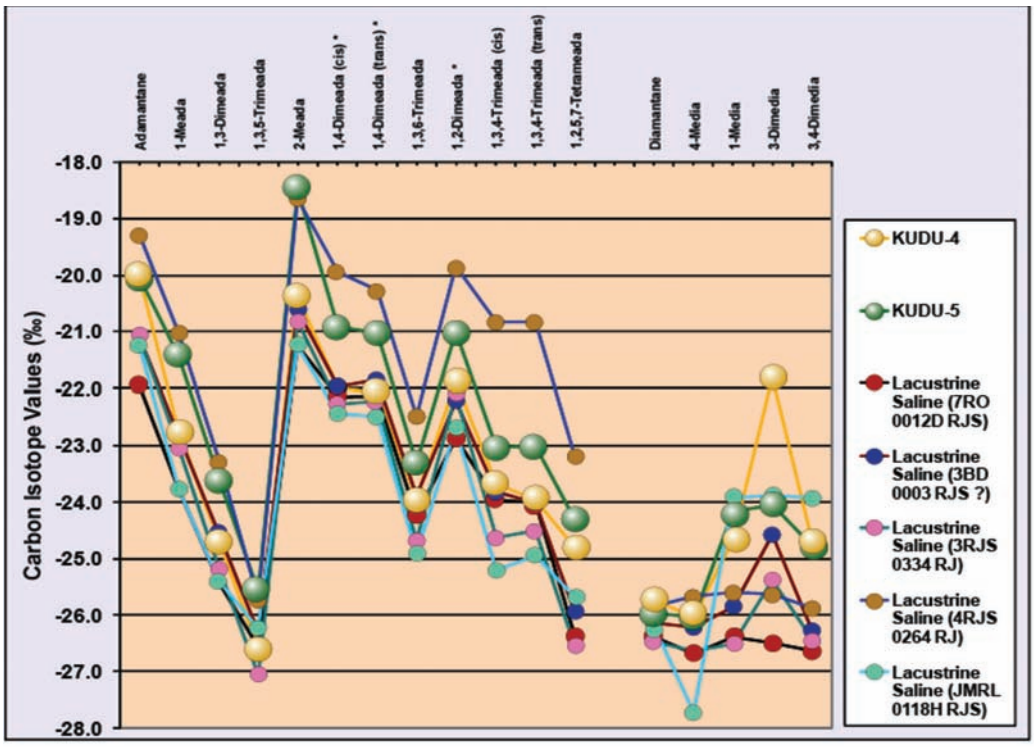


Figure 16 – Condensate samples Kudu-4 and Kudu-5 correlate with some Brazilian oils derived from lacustrine source rock based on isotope values of diamondoids.

It should be noted that several of the marine oil samples from Santos and Campos Basin wells (Figure 14; 1-BSS-55, 1-SPS-31, 1-SPS-21 and 1-ESS-130 (= AEC-07) HRT database) are cracked and/or mixed oils. These samples have mixed contributions of diamondoids from both the marine and lacustrine sources. These would have intermediate CSIA-D profiles between pure lacustrine and marine oils. The sample from 1-BSS-55 is particularly high in diamondoids (24.4 ppm) which come predominantly from the lacustrine section, although the biomarkers in this oil show a marine anoxic source. Among all the oils with marine biomarkers, this oil plots most similarly to Kudu-4 in its CSIA-D profile data, and in this respect is nearly the same as some of the lacustrine oils shown in Figure 16. This serves as a model for highly cracked oil mixed with oil-window oil of a different source. In such cases most of the diamondoids come from the highly cracked source, and the diamondoid isotopic profile by CSIA-D reflects the highly cracked source rather than the oil-window source.

Biomarkers and *n*-alkanes for the oil window

While diamondoid concentrations and isotopes address the thermally altered condensates in the Kudu wells, the biomarkers and n-alkanes provide information about hydrocarbons generated in the oil window (black oil). The CSIA-B profile of n-alkanes (Figure 17) shows a nearly isotopically flat profile centred around -25.5 per mil. Such a flat profile of this isotopic signature is typical of marine oils produced from Brazil margin basins (HRT database). One might conclude that a significant portion of the liquids in the Kudu reservoirs was derived from an oil-window marine source, however, based on the diamondoid data, (Figures 14 – 16) the gas and diamondoids came from the deep lacustrine source.

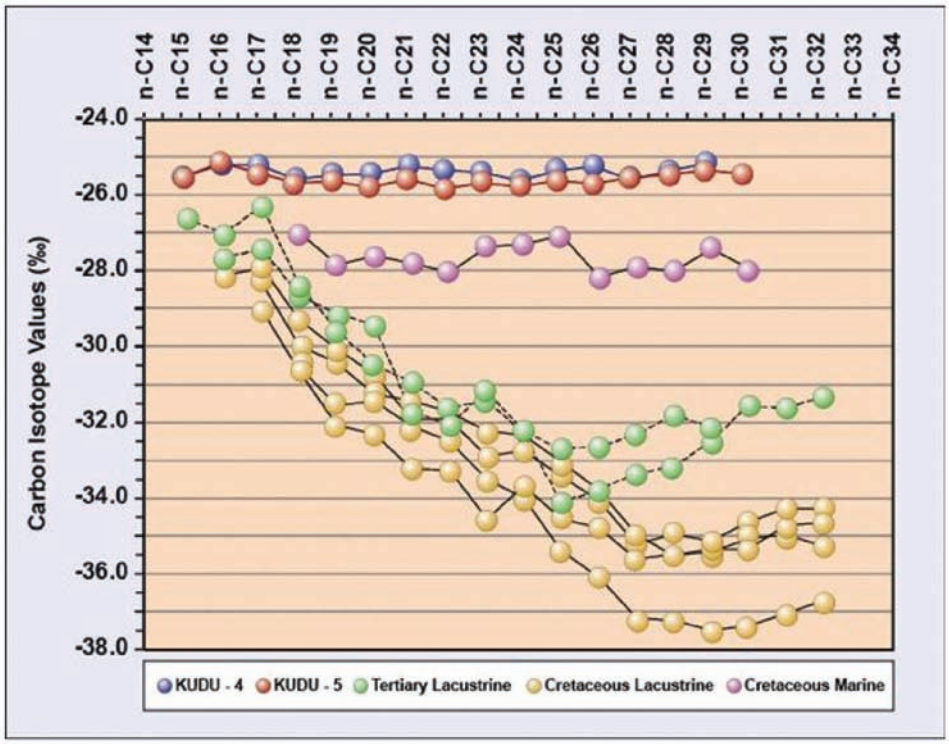


Figure 17 – Kudu 4 and Kudu 5 n-alkanes isotopes correlate with each other and show a typical marine oil profile, similar to a marine oil from the Cretaceous in Brazil.

The presence of C_{30} steranes (Figure 18) does, in fact, confirm that the source rock for the black oil in the Kudu sample was derived from marine shales. The strongest evidence in the interpretation of biomarker age in the Kudu samples relies on the C_{28}/C_{29} steranes ratio which is >1 (Figure 18). This is indeed typical for Cretaceous oils.

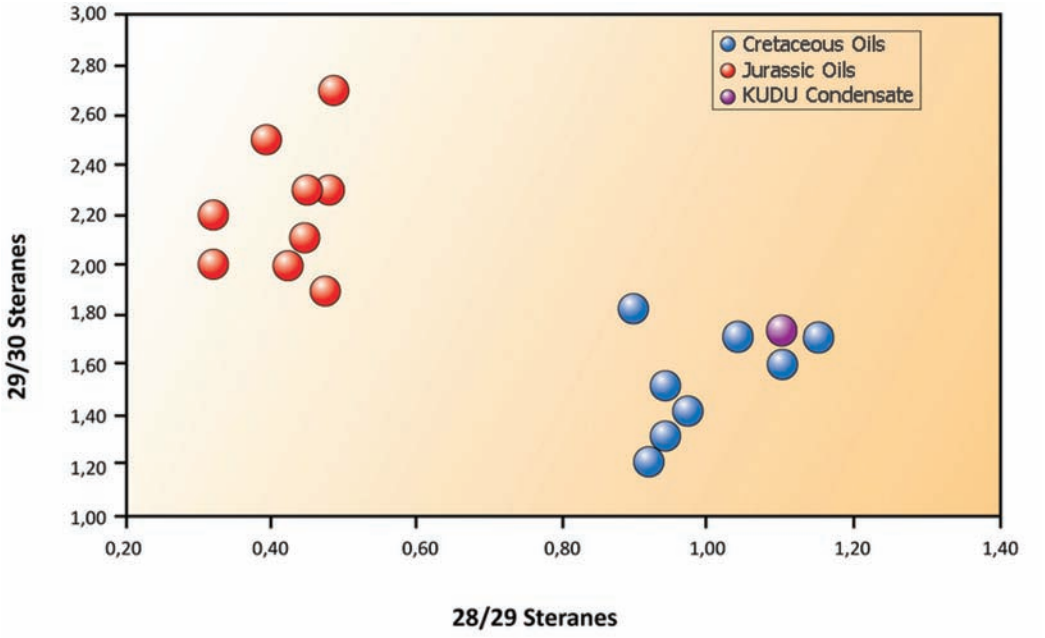


Figure 18 – Kudu-4 regular steranes show correlation with oil samples derived from Cretaceous (Albian-Cenomanian) source rocks from Brazilian southern basins (HRT database).

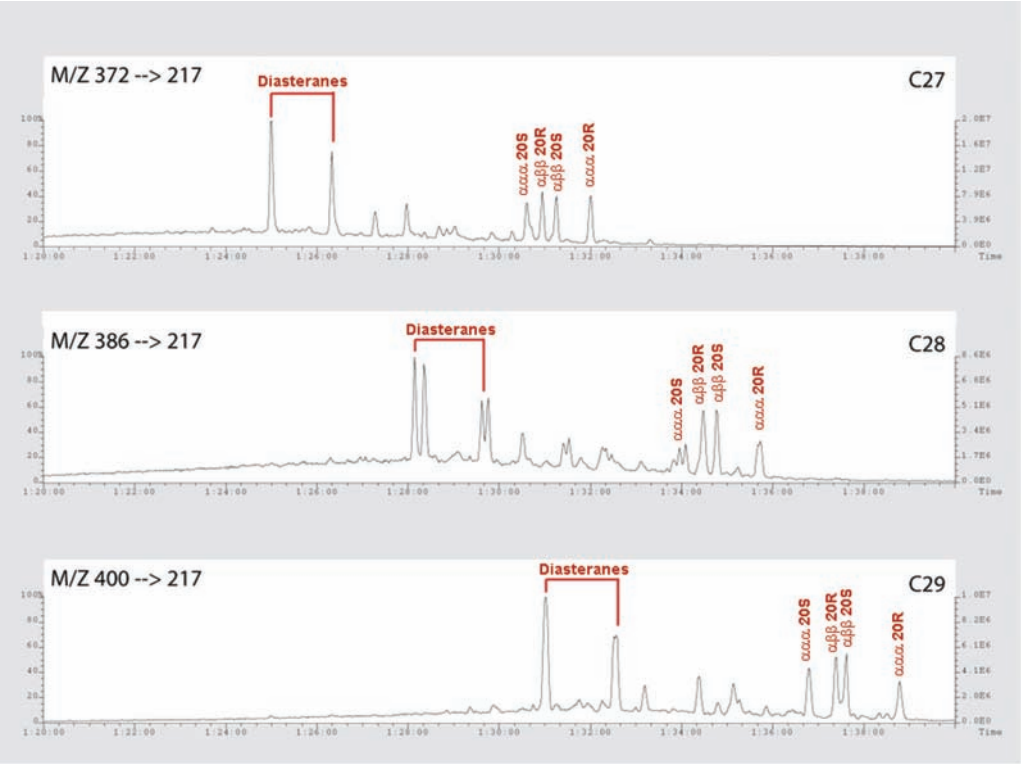


Figure 19 – Kudu-4 GC-MS-MS sterane profiles showing a high maturity level for the Albian-Cenomanian black oil present in the Kudu sample (Mello, 1998).

The high maturity (within the oil-window) of the Kudu-4 black oil biomarkers is illustrated by Figure 19. The indicators of high maturity are the very high relative abundance of diasteranes and the ααα20S and αββ20S and R versus the ααα20R compounds.

In summary, the high resolution biomarker, diamondoid, CSIA-D and CSIA-B data obtained for Kudu-4 and Kudu-5 condensates are evidence of the presence of mixed hydrocarbons from two different petroleum systems:

(1) a very highly cracked condensate derived from Barremian lacustrine source rock similar to the Lagoa Feia source rocks present in the Campos and Santos Basins in Brazil (currently in post mature stage of the Kudu field); and

(2) a black oil derived from Albian/Cenomanian marine source rock similar to the Albian-Cenomanian source rock sequence present in the Campos and Santos Basins in Brazil (currently at peak to late oil-window stage).

Such conclusions are strong evidence of the presence of at least two active petroleum systems, with their respective pods of hydrocarbon generation, located deep offshore in the study area. The source rocks identified to have sourced the Kudu samples are equivalent to those responsible for more than 90% of the oil produced in the Brazilian and Angolan marginal basins.

3.7 *Remote sensing and detection of oil seeps*

Natural oil seeps have historically provided valuable information about petroleum systems. Foremost, they indicate the presence of an active pod of hydrocarbon source rocks in the area, without which there can be no petroleum accumulations. The high cost of deep offshore exploration has made the identification of oil seeps an accepted risk assessment methodology (Miranda et al., 1998).

In the vast continental margin offshore Namibia, the identification of sea surface hydrocarbon slicks using RADARSAT-1 imagery was undertaken to predict the presence of active petroleum systems in the area. The significance of the natural oil slicks linked to structural features such as normal (listric),

strike-slip and/or transform fault systems, emphasises the importance of the upper Cretaceous and tertiary adiastrophic tectonism as migration pathways.

The historically available RADARSAT-1 images, for offshore Namibia were acquired over a period of nine years (Figure 20). The methodology applied by HRT is very effective, as demonstrated by successful discoveries in the Brazilian, West African and Gulf of Mexico basins.

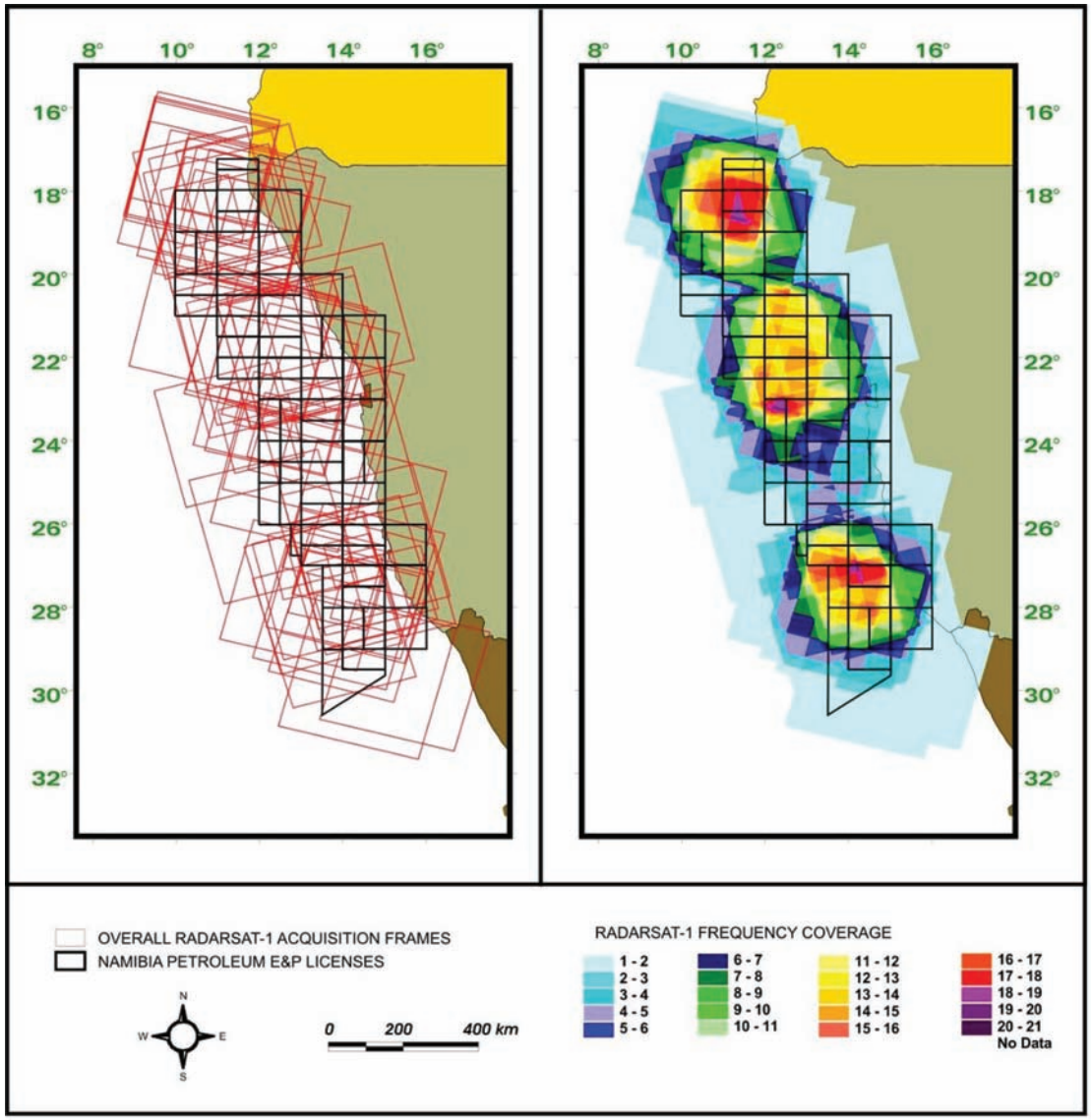


Figure 20 – Location map of the Namibian offshore basins showing the studied areas overlaid by 70 quick looks and 16 selected RADARSAT full resolution images frames (colour code indicates the area covered).

The interpretation and integration of the results of 70 quick looks and 16 full images over the Chariot Blocks have shown seven main oil slick features. Two oil slicks occur nearby the northern Blocks (1811A/B), while the other five oil slicks are grouped near the Kudu gas field in the southern offshore part of Namibia (Figure 21), near Chariot Blocks 2714 A&B. All the oils slicks appear to be controlled and occur in association with NE-SW transform fault systems. Such occurrences indicate the presence of active oil generating systems in the studied area, and corroborate seismic data that suggests that the seals were not breached regionally. This is supported by the lack of active faulting systems up to the sea floor in most of the areas studied.

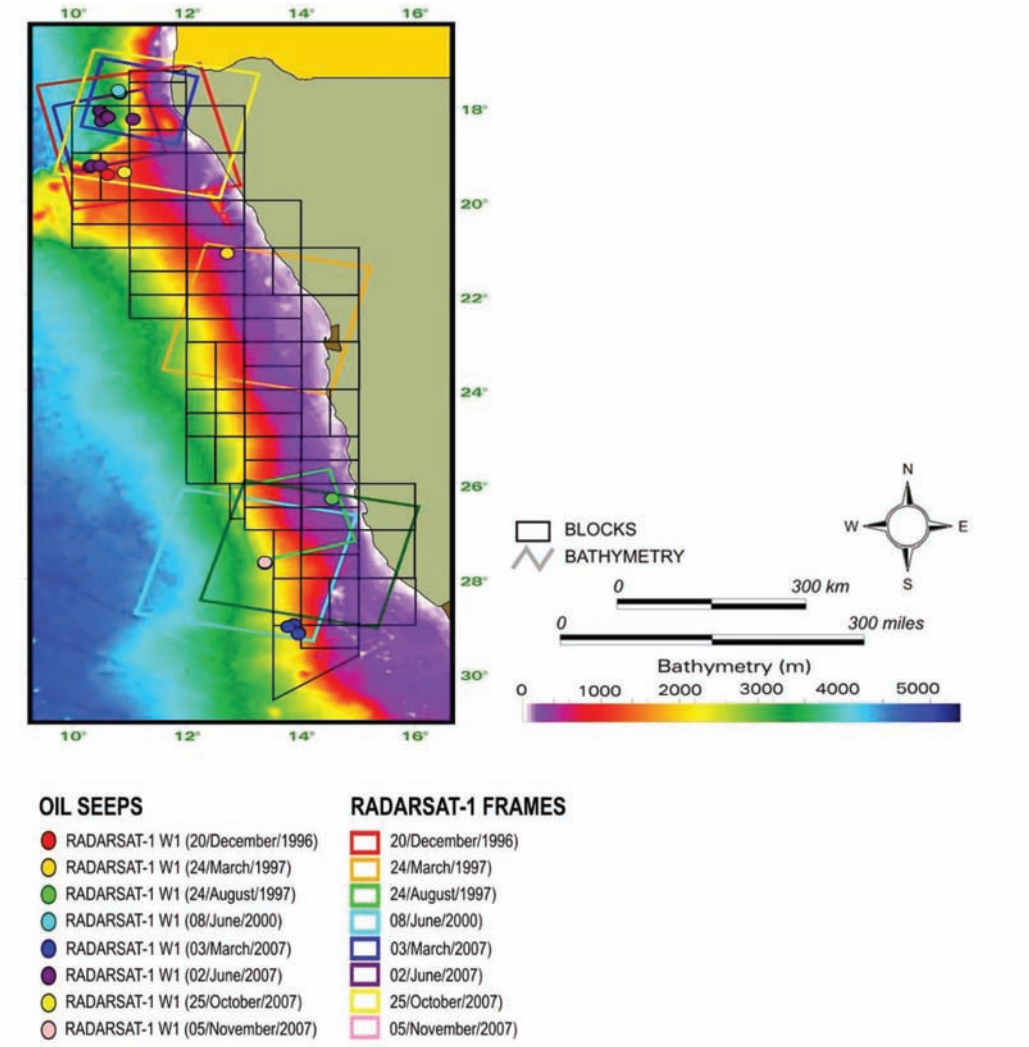


Figure 21 – Satellite images show the presence of repeatable oil slicks offshore Namibia

The presence of oil slicks around the area of the Kudu gas field also suggest that offshore Namibia could be an oil prone area, since gas seeps do not produce responses on RADARSAT images.

Evidence for active petroleum systems

The presence of gas chimneys in Block 1711 observed in the Miocene horizon from the 3D seismic data of the Kunene Prospect, and in the Chariot Blocks, provides very strong evidence of the presence of hydrocarbon seeping in the region (Figures 22-23).

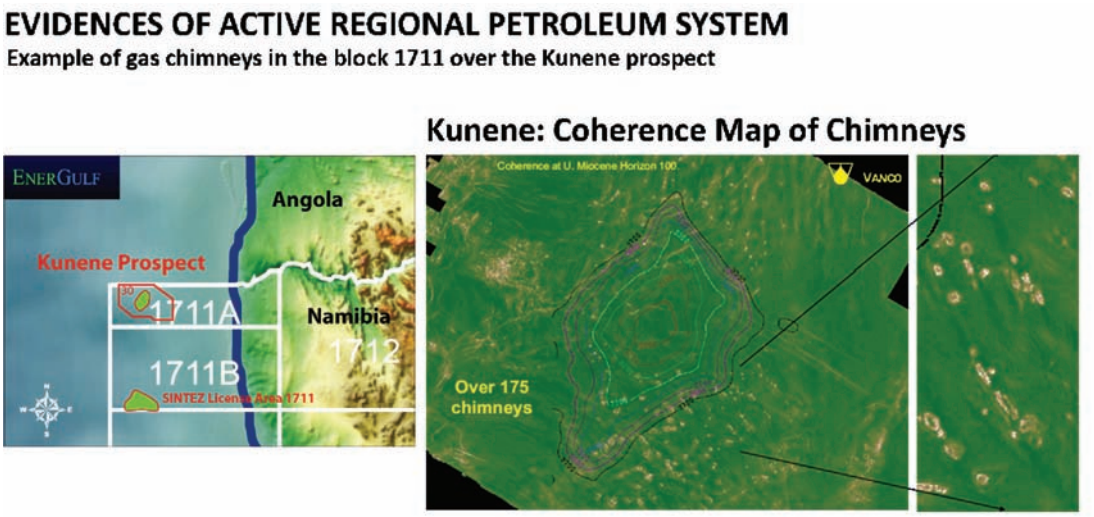


Figure 22 – Coherence map showing seismic features related to gas chimneys at a Miocene horizon (EnerGulf, 2007).

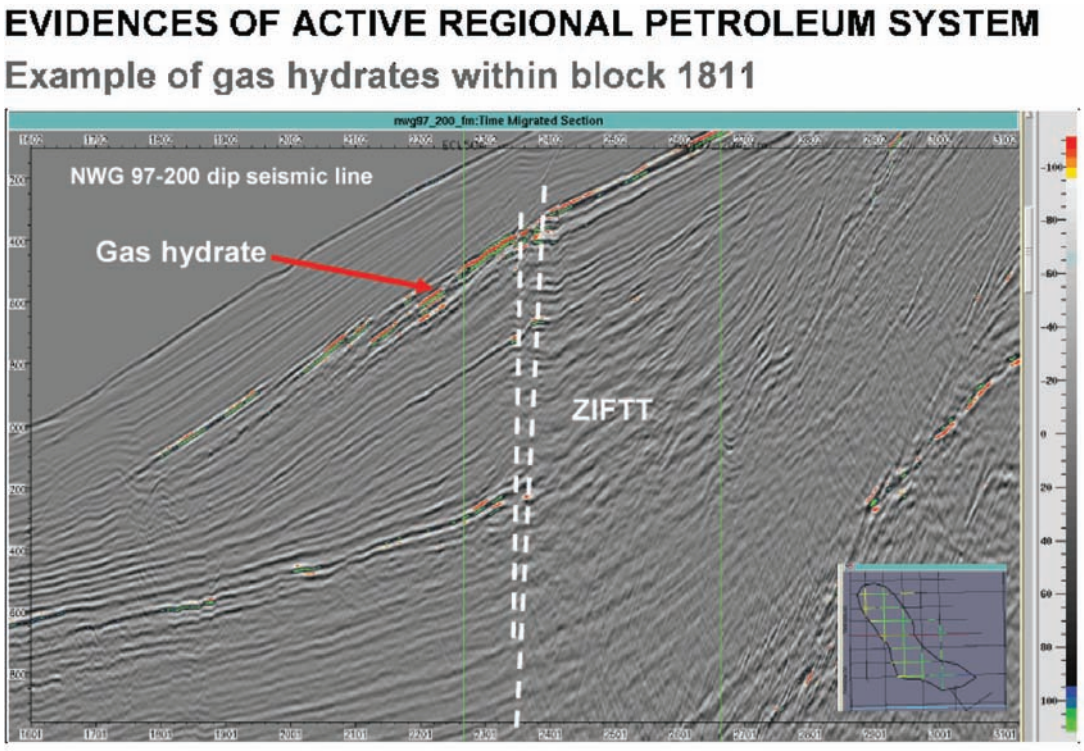


Figure 23 – Seismic section in time in the Block 1811 showing the presence of gas hydrates associated with a transform fault system ("ZIFTT").

Petroleum system elements in the southern area, showing: source rocks, migration pathways (ZIFTTs) and amplitude anomalies, focalization high, seals and traps.

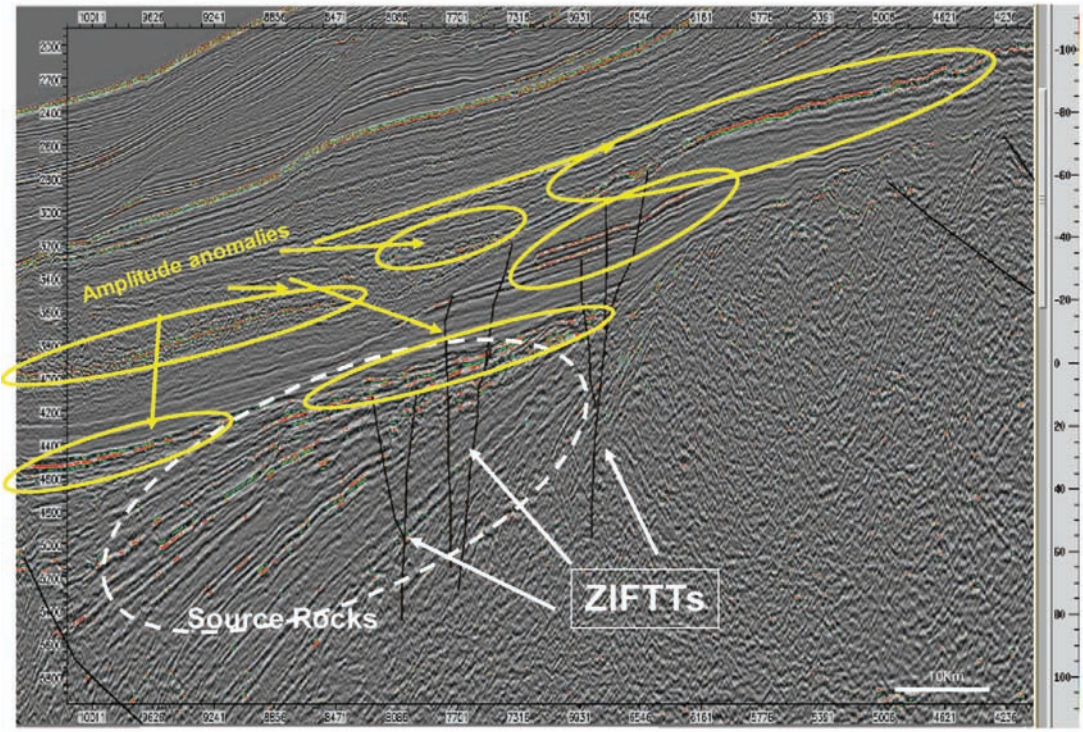


Figure 24 – Seismic line in time showing the petroleum system elements within Blocks 2714A&B and the distribution of the identified potential exploration Leads.

Figure 24 shows petroleum system elements found in the southern area at Blocks 2714A & B. The potential source rocks, vertical migration pathways along transform fault zones ("ZIFTTs") and the amplitude anomalies that may be related to potential reservoirs, seals and traps are indicated in yellow. Observe the presence of the rift source rock interval onlapping the flank of the regional basement high to the right, which clearly suggests a focal point for hydrocarbon migration reinforced by the amplitude features directly above.

3.8 *Conclusions about the hydrocarbon source potential*

The multidisciplinary approach, of RADARSAT-1 satellite imaging data of oil slicks in offshore Namibia, seismic interpretation, 3D petroleum system modelling and high resolution molecular and diamondoid geochemistry of the light hydrocarbons recovered in the Kudu samples suggest there is great potential for the Namibian offshore basins to bear large accumulations of liquid hydrocarbons. The diamondoid and high resolution geochemistry data obtained from the analysis of the Kudu condensate suggests that the origin of the hydrocarbons is related to at least two distinct superimposed petroleum systems: the upper Cretaceous marine anoxic (Albian-Aptian age), and an older system, linked with a rift Barremian lacustrine system. Evidence of active petroleum systems has been documented in seismic time slices and sections from data within the area. Such analyses, together with the presence of similar petroleum system assemblages as observed in the Brazilian southern margin, indicate that offshore Namibia has the potential to become a petroleum province.

4. Hydrocarbon potential of the Blocks

4.1 *Prospect and Lead characterisation*

The seismic mapping and interpretation of the available seismic data has allowed the identification of one Lead and one Prospect in Blocks 1811A &B (Tapir and Zamba) and five Leads in Blocks 2714A and 2714B (Scimitar, Mastodon, Mammoth, Woolly Rhino and Sabertooth Cat – see Figure 25). A

combined three layer Prospect has been identified in Block 2714A where it is reasonable to anticipate one well test that can evaluate the three stackable Leads of Mastodon, Mammoth and Woolly Rhino. Individually, the confidence in each of these layers classifies them as Leads, however, the stackability of these targets reinforces the confidence to categorise them as a single Prospect. Please see the glossary for definitions of Prospects and Leads.

It is important to mention that seismic interpretation is still ongoing in Blocks 2312A, 2312B and the northern half of Blocks 2412A and 2412B.

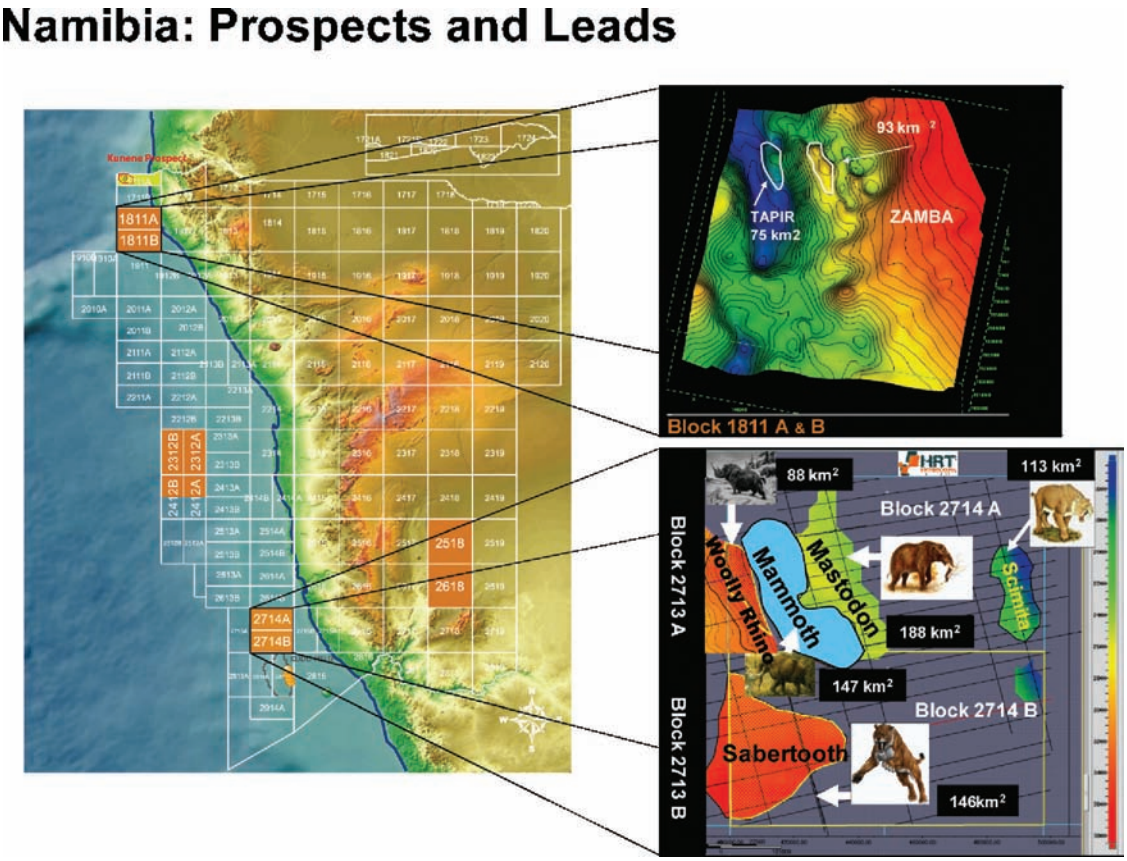


Figure 25 – Location map of the Prospects and Leads mapped within Chariot Blocks 1811A and 2714A & B with respective average trap area.

4.1.1 *Geological characterisation of the Lead and Prospect within northern offshore Blocks 1811A&B*

The seismic mapping and interpretation of the available data has allowed the identification of one Lead and one Prospect in Blocks 1811A &B, Tapir and Zamba (Figure 26). However, with the reprocessing of the depth (PSDM) it was possible to confirm the closure of the Tapir Lead. The lateral variation of water depth and sediment thickness was responsible for this variation.

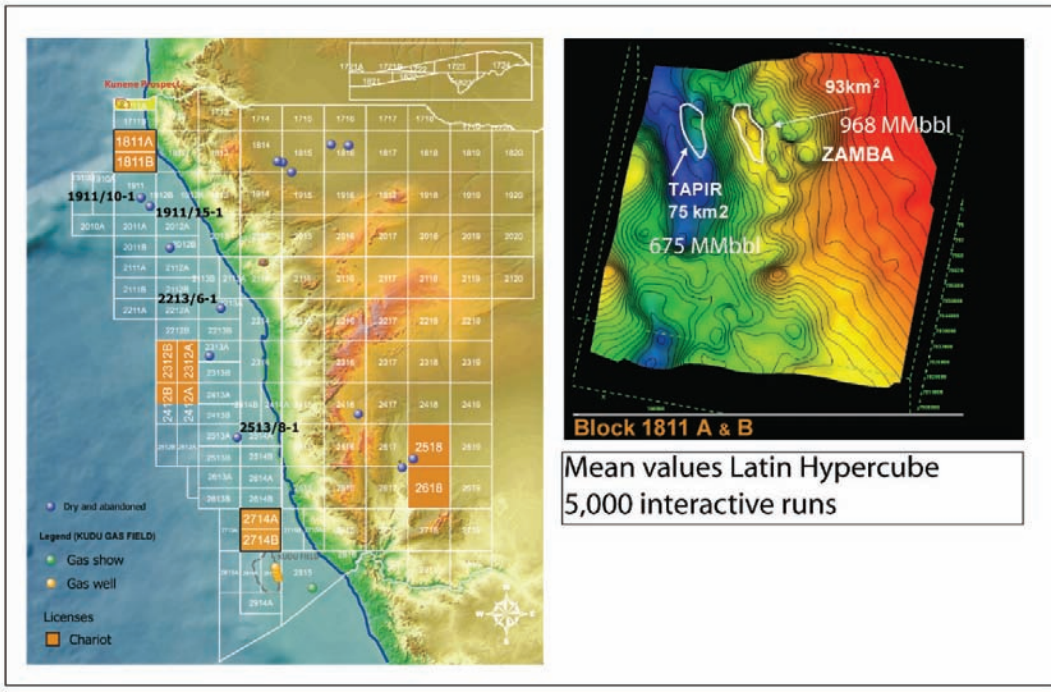


Figure 26 – Location map and a 3D view structural map in depth with the Tapir Lead and Zamba Prospect.

Below is a description of the main geological characteristics of the Lead and Prospect mapped:

I. LEAD TAPIR (see Figures 26 to 28)

Water depth: 2,200-2,400 m

Target depth: –4,250 m

Area: Minimum: 40 km^2, Mean: 75 km^2, Maximum: 120 km^2

Reservoir: The expected reservoirs are upper Cretaceous turbidite sandstones, characterised by a deposition of a thick sequence of channels and lobes within a major trough, constrained by the presence of the topography of volcanic highs. As a reservoir analogue, we can use the data from well 1911/10-1, that has penetrated a Santonian-Campanian turbidite channel sandstone 42m thick. In wire line logs, it shows a typical "box shape" characteristic of channel fill deposits, with a net to gross of 83%, porosity values ranging from 25 to 30% and permeability ranging from 72-422 mD. Additionally, this well has penetrated 40m thick Maastrichtian turbidite sandstones, with a net to gross ratio of 100%, and with porosity values ranging from 25-32% and permeability values of 135 to 250 mD (See Figure 27 of a core photo of the analogue reservoir).

Expected porous reservoir thickness: Minimum: 20m, Mean: 40m; Maximum: 80m.

Source: Lacustrine saline organic-rich shales from the Barremian Syn-Rift and marine organic-rich shales from the Transitional units (Aptian/Lower Albian), similar to those been identified in the offshore Brazilian basins.

Trap: 4 way dip closure (due to tectonic inversion and differential compaction).

Seal: Marine shales from upper Cretaceous and tertiary sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT).

In summary, the occurrence of Albian-Aptian oil shows in the well 1911/15-1, oil slicks, gas hydrates and gas chimneys in the proximities of the Blocks 1811A &B, coupled with the results obtained by 3D compositional basin modelling over the area of the Blocks, suggests the presence of hydrocarbon migration pathways big enough to fill the Leads mapped up to spill point. Despite this, it is important to mention that the main uncertainty about this Lead relates to the amount of hydrocarbons charge.

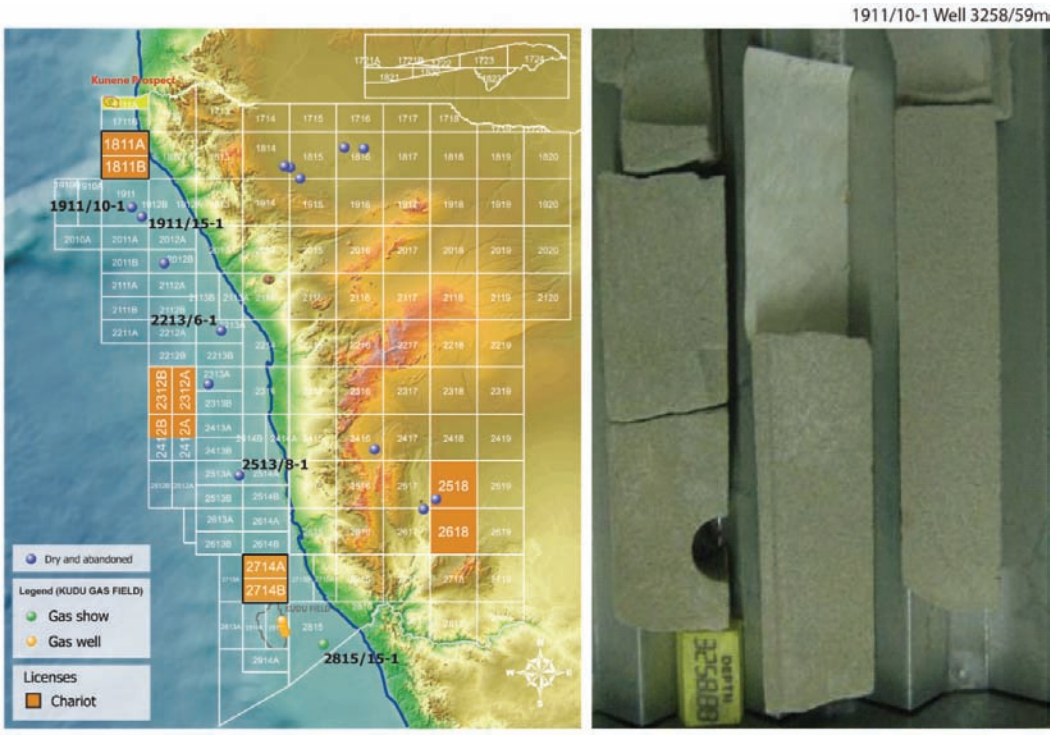


Figure 27 – Cores from the well 1911/10-1 showing turbidite sandstones of Santonian-Campanian age, with 42 m thick, with net to gross of 83% and porosity values ranging from 25 to 30% and permeability values ranging from 72-422 mD.

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Tapir	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	40	70	120	75	km^2
Thickness	20	40	80	45	m
Porosity	20	22	25	22	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.1	1.2	1.3	1.2	
Recovery factor	20	24	30	25	%
Prospective resources	34	86	208	107	million m^3
Prospective resources	211	539	1306	675	mmbbl

The input reservoir parameters were the low estimates and high estimates. A log normal distribution was applied which generated the best estimate and mean parameters. These parameters were then used as inputs to the probabilistic simulation which generated the prospective resource numbers in the table.

I. a. LEAD TAPIR deep – secondary objective exploration upside (see Figures 28, 30 and 31)

Water depth: 2200-2400 m

Target depth: –5200 m

Reservoir: Albian shoal/reef facies (porous carbonates); similar carbonate reservoirs have been cored in the 1911/15-1 well (at 3,720 m, corresponding to a burial depth of about 3,200 m), and have revealed zones of very good reservoir properties (15 – 25% and 10 to 500 mD) in algal-pelletal grain-packstones and boundstone facies. Porosity is mainly of macropores type indicating dissolution. Net/gross ratio of about 35% in the upper part (100 m) with average porosity values of 20% (See Figures 30-31). In this Lead the same order of burial depth (3,000 m) is expected.

Source: Lacustrine saline organic-rich shales from the Barremian Syn-Rift and marine organic-rich shales from the transitional units (Aptian/Lower Albian), similar to those been identified in the offshore Brazilian basins.

Trap: 4 way closure.

Seal: Marine shales from lower and upper Cretaceous sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT) which have been identified on seismic.

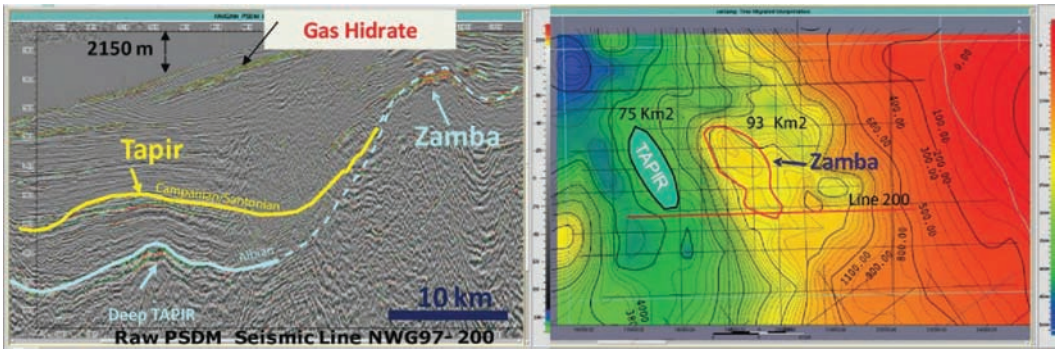


Figure 28 – Structural map in depth with the raw PSDM NWG97-200 from 1811A Block. Note the Tapir Lead with 100 km², confirming the closure in depth. Deep Tapir: anomalous amplitudes carbonates horizons below the Tapir Lead.

II. PROSPECT ZAMBA: (see Figures 28-31)

Water depth: 700-1,000 m

Target depth: –2,200m

Area: Minimum: 50 km², Mean: 93 km²; Maximum: 150 km²

Reservoir: Aptian and Albian shoal/reef facies (porous carbonates). Time equivalent carbonate reservoirs, dated as late Aptian to middle Albian, have been cored in the 1911/15-1 well (at 3,720 m, corresponding to a burial depth of about 3,200m), and have revealed zones of very good reservoir properties (15 – 25% and 10 to 500 mD) in algal-pelletal grain-packstones and boundstone facies (Figures 23, 26-28). Porosity is mainly of macropores type indicating dissolution. Net/gross ratio of about 35% in the upper part (100 m) with average porosity values of 20%. The reservoir rock properties are expected to be better than those observed in the well 1911/15-1 as a result of its lower burial depth (1200m) and a longer leaching and dissolution time.

Expected porous reservoir thickness: minimum: 30m, mean: 61m; maximum: 100m

Source: Lacustrine saline organic-rich shales from the Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/Lower Albian), similar to those been identified in the Offshore Brazilian basins.

Trap: 4 way closure.

Seal: Marine shales from Upper Cretaceous and Lower Tertiary Sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small Transfer Fault Zones ("ZIFTT").

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Prospect Zamba	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	50	87	150	93	km^2
Thickness	30	55	100	61	m
Porosity	15	19	25	20	%
Oil saturation	60	65	70	65	%
Volumetric factor	1.1	1.15	1.2	1.15	
Recovery factor	20	24	30	25	%
Prospective resources	53	126	289	153	million m^3
Prospective resources	335	793	1816	968	mmbbls

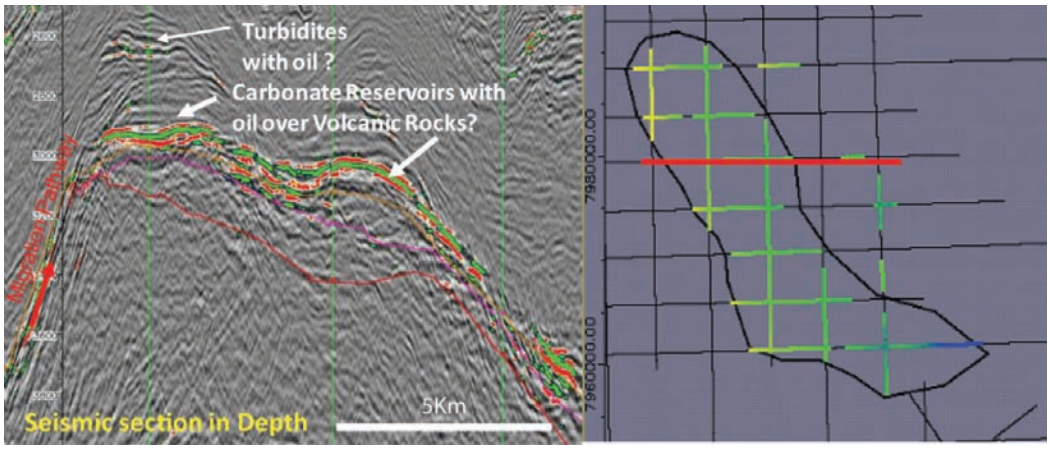


Figure 29 – Map of the Prospect Zamba, its seismic amplitude characteristic and hydrocarbon volumetric estimations.

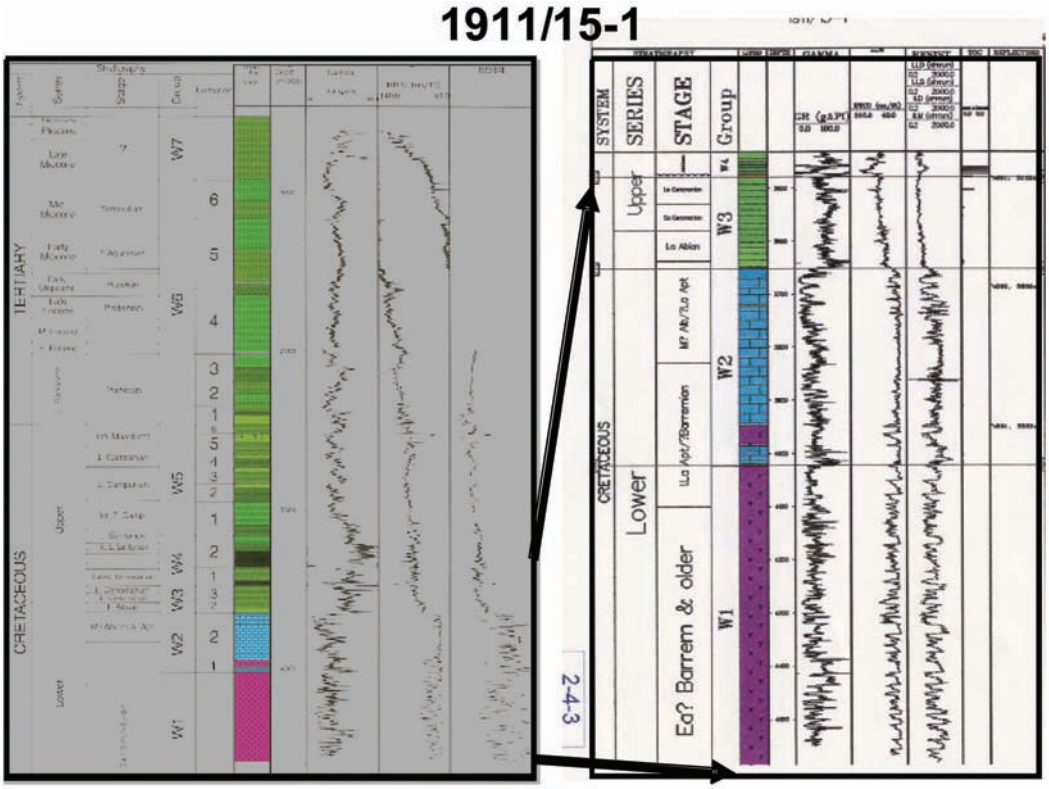


Figure 30 – Composite log from well 1911/15-1 drilled by Norsk Hydro showing the Aptian/Albian carbonates deposited over a volcanic high showing good reservoir properties and oil shows (Holtar & Forsberg, 2000).

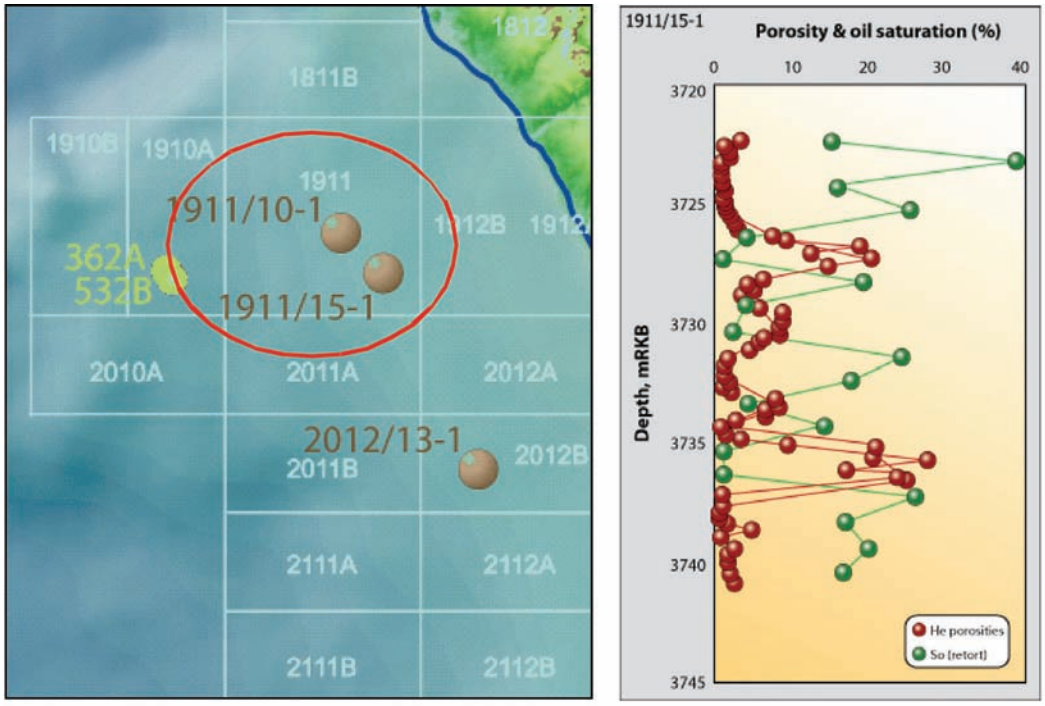


Figure 31 – Porosity & oil saturation plot showing saturation values up to 40% and porosity values ranging from 20 to 25% in the Albian carbonates of well 1911/15-1 (Holtar & Forsberg, 2000).

4.1.2 *Geological characterisation of the five Leads and combined 3-layer Prospect (3 of the 5 Leads) within southern offshore Blocks 2714A&B*

The seismic mapping and interpretation of the available seismic data has allowed the identification of five Leads in Block 2714A&B – Scimitar, Mastodon, Mammoth, Sabertooth Cat and Woolly Rhino (Figure 32).

The characterisation of the petroleum system elements in the area was well established allowing the identification of potential plays to be evaluated (Figure 24).

By reprocessing the existing seismic lines into depth (PSDM) it was possible to confirm the closure of the Leads mapped. The lateral variation of water depth and sediment thickness was responsible for this variation.

The presence of amplitude anomalies associated with structural features has guided the interpretations and mapping of the Leads. Figure 33 shows a dip oriented seismic line, in time, over the main Leads mapped on the Block. On the other hand, Figure 34 shows, in detail, a PSDM dip oriented seismic section confirming the closure of the structures, in a multi pay target.

Below is a description of the main geological characteristics of the Leads mapped:

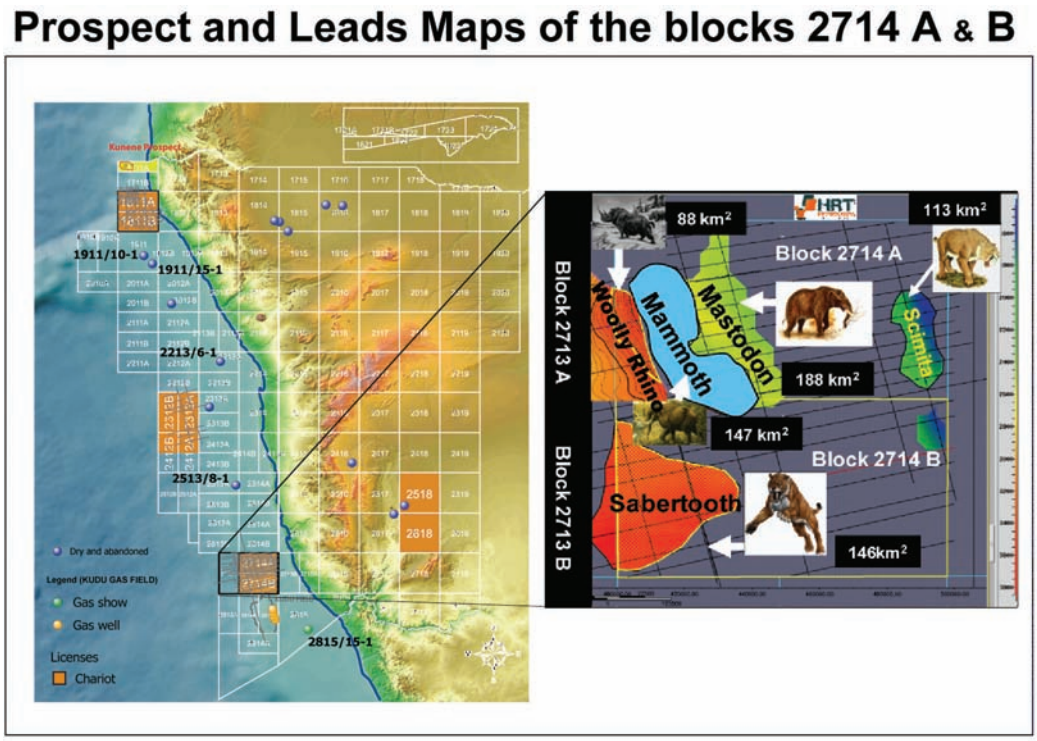


Figure 32 – Location map of the Blocks 2714A&B and the distribution of the characterised Leads with corresponding average areas.

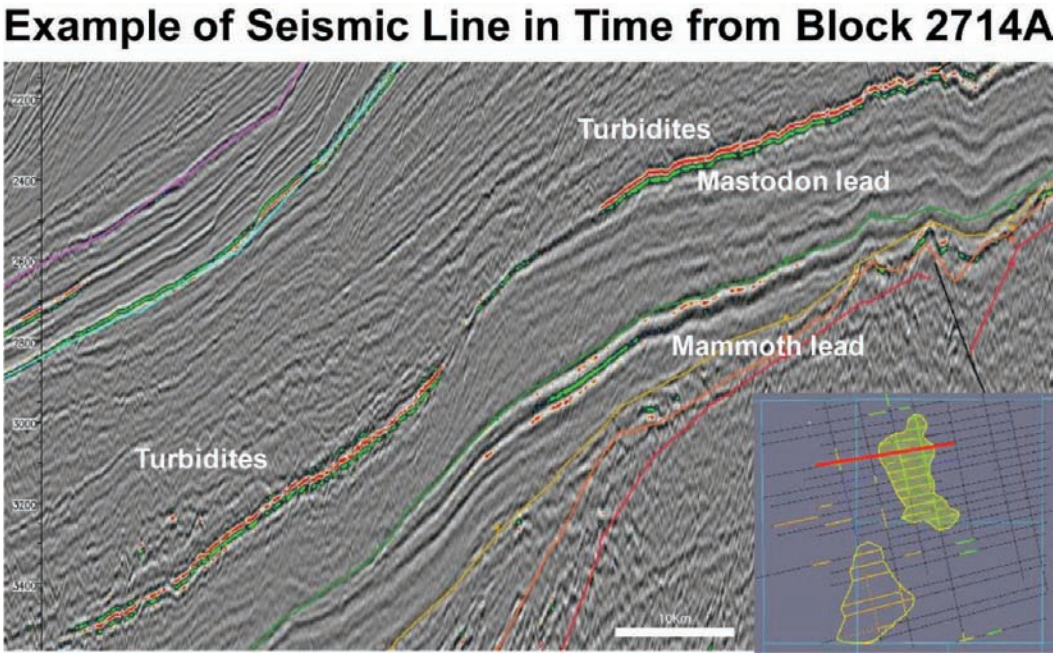


Figure 33 – Dip oriented seismic line in time over the identified Leads in the Blocks 2714A&B. Observe the amplitude anomalies associated with the regional basement high.

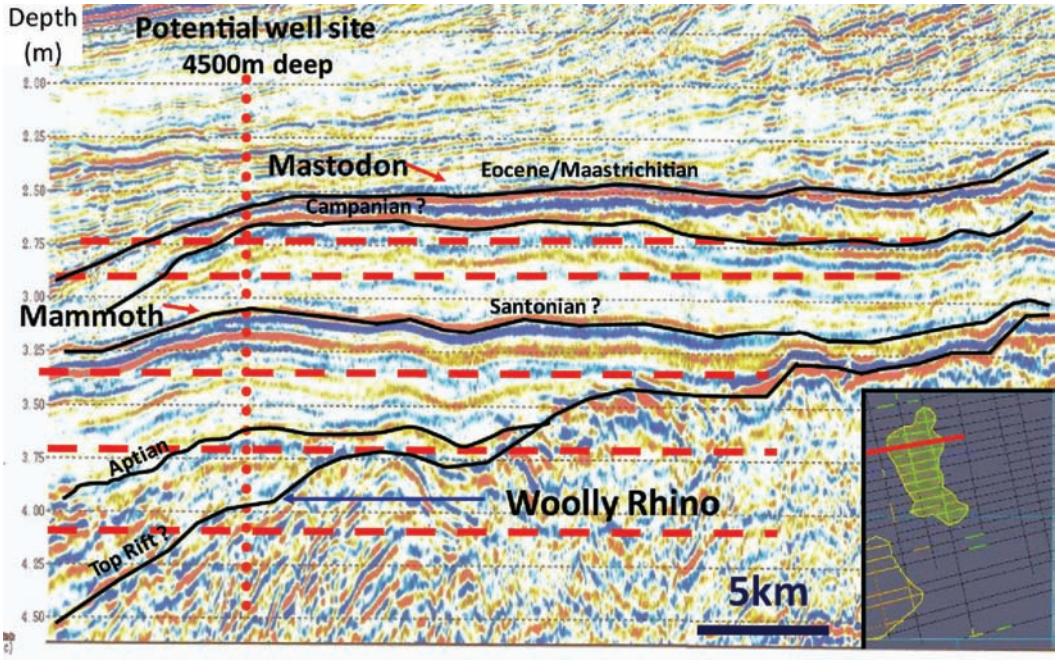


Figure 34 – PSDM seismic section showing the superposition and the closure of the Mastodon, Mammoth and Woolly Rhino combined Prospect.

I LEAD SCIMITAR (see Figure 35):

Water depth: 200-250 m

Target depth: –1,400 m

Area: Minimum: 80 km^2, Mean: 113 km^2; Maximum: 150 km^2

Reservoir: Upper Cretaceous/lower tertiary turbidites and ramp deposits; Expected porous reservoir thickness: Minimum: 10m, Mean: 19m; Maximum: 30m

Source: Lacustrine organic-rich shales from Neocomian/Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/Lower Albian), similar to those been identified in the offshore Brazilian basins. It is important to mention the possibility of the presence of Perm/Triassic Karoo shales ('Whitehill Fm').

Trap: Combined stratigraphic/structural trap.

Seal: Marine shales from upper Cretaceous sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT).

		Probabilistic distribution			
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Scimitar	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	80	110	150	113	km^2
Thickness	10	17	30	19	m
Porosity	13	16	20	16	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.2	1.3	1.4	1.3	
Recovery factor	20	24	30	25	%
Prospective resources	19	39	81	46	million m^3
Prospective resources	120	246	512	288	mmbbls

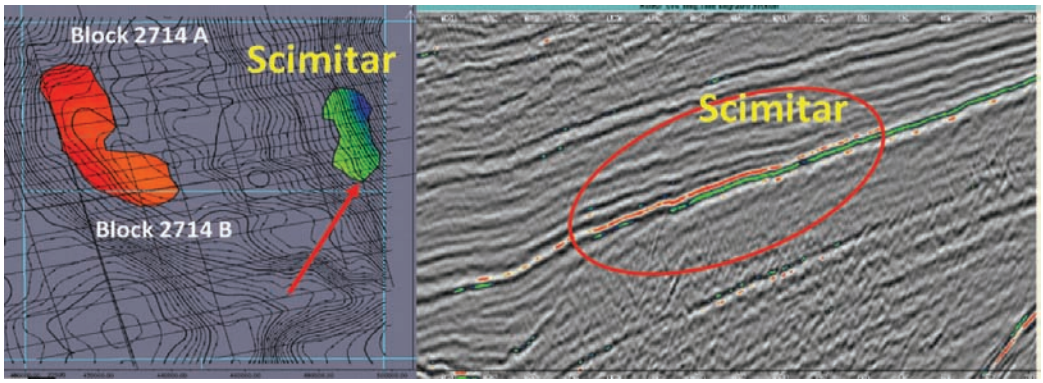


Figure 35 – Map of the Scimitar Leads, showing its seismic amplitude anomalies and hydrocarbon volumetric estimations.

II. LEAD MASTODON (see Figure 36)

Water depth: 400-550 m

Target depth: –2,800 m

Area: Minimum: 100 km^2, Mean: 188 km^2; maximum: 300 km^2

Reservoir: Upper Cretaceous/lower tertiary turbidites and ramp/shelf margin marine sandstones. They are expected to bear good reservoir properties and good lateral continuity. Expected porous reservoir thickness: minimum: 15m, mean: 22m; maximum: 30m

Source: Lacustrine organic-rich shales from Neocomian/Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/lower Albian), similar to those been identified in the offshore Brazilian basins. It is important to mention the possibility of the presence of Perm/Triassic Karoo shales ('Whitehill Fm').

Trap: Structural with stratigraphic components. The stratigraphic traps can occur due to higher frequency sea level fluctuations which can affect substantially shelf margin deposit geometries (Figure 32).

Seal: Marine shales from upper Cretaceous sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT).

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Mastodon	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	100	173	300	188	km^2
Thickness	15	21	30	22	m
Porosity	20	24	30	25	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.2	1.3	1.4	1.3	
Recovery factor	20	24	30	25	%
Prospective resources	54	116	239	136	million m^3
Prospective resources	340	732	1502	856	mmbbls

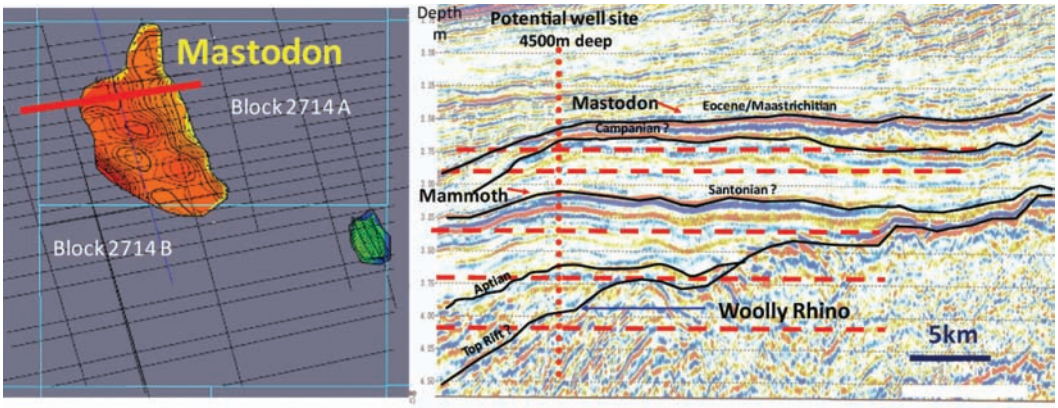


Figure 36 – Map of the Lead Mastodon, its seismic amplitude characteristic and volumetric estimations.

III. LEAD MAMMOTH (see Figure 37):

Water depth: 600-800 m

Target depth: –3,500 m

Area: Minimum: 100 km^2, mean: 142 km^2; maximum: 200 km^2

Reservoir: Medium Cretaceous turbidites and ramp/shelf margin marine sandstones. They are expected to bear good reservoir properties and good lateral continuity. Expected porous reservoir thickness: minimum: 15m, mean: 22m; maximum: 30m.

Source: Lacustrine organic-rich shales from Neocomian/Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/lower Albian), similar to those been identified in the Offshore Brazilian basins. It is important to mention the possibility of the presence of Perm/Triassic Karoo shales ('Whitehill Fm').

Trap: Combined structural/stratigraphic trap.

Seal: Marine shales from middle to upper Cretaceous sequences.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT).

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Mammoth	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	100	141	200	147	km^2
Thickness	15	21	30	22	M
Porosity	13	16	20	16	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.2	1.3	1.4	1.3	
Recovery factor	20	24	30	25	%
Prospective resources	36	63	115	70	million m^3
Prospective resources	224	396	724	438	mmbbls

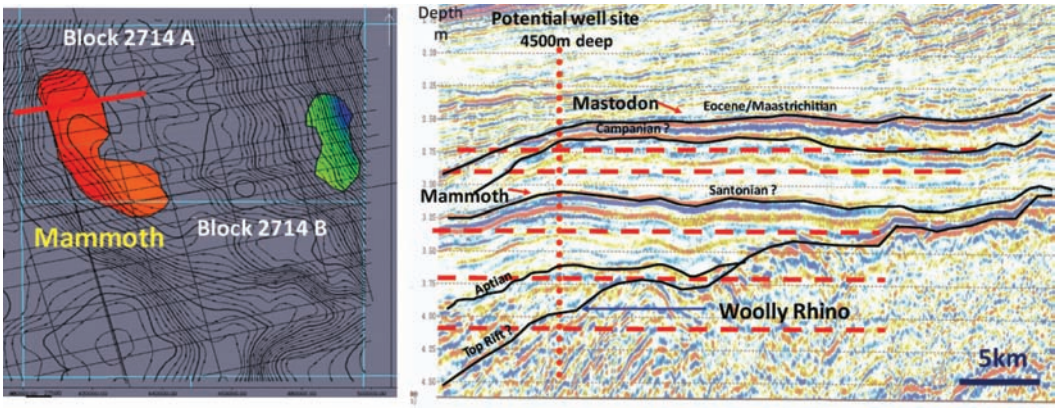


Figure 37 – Map of the Mammoth Lead, showing seismic amplitude anomalies and hydrocarbon volumetric estimations.

IV. LEAD WOOLLY RHINO (see Figure 38)

Water depth: 700-900 m

Target depth: –4,750 m

Area: Minimum: 20 km^2, Mean: 88 km^2; Maximum: 200 km^2

Reservoir: Shallow marine/fluvial deposits from upper syn-rift. Expected porous reservoir thickness: minimum: 20m, mean: 29m; maximum: 40m

Source: Lacustrine organic-rich shales from Neocomian/Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/lower Albian), similar to those been identified in the offshore Brazilian basins. It is important to mention the possibility of the presence of Perm/Triassic Karoo shales ('Whitehill Fm').

Trap: Combined stratigraphic/structural trap.

Seal: Marine shales from lower Cretaceous sequences.

Migration: Short-distance horizontal migration.

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Woolly Rhino	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	20	63	200	88	km^2
Thickness	20	28	40	29	m
Porosity	10	12	15	12	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.2	1.3	1.4	1.3	
Recovery factor	20	24	30	25	%
Prospective resources	8	28	96	41	million m^3
Prospective resources	51	173	606	258	mmbbls

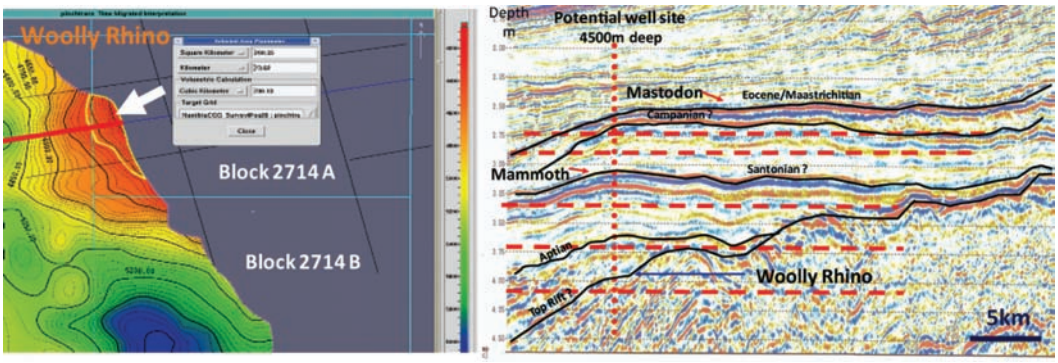


Figure 38 – Map of the Woolly Rhino Lead showing its seismic amplitude characteristic and hydrocarbon volumetric estimations.

VI. LEAD SABERTOOTH CAT (see Figure 39)

Water depth: 1,500-1,600 m

Target depth: –3,600 m

Area: Minimum: 100 km^2, Mean: 146 km^2; Maximum: 200 km^2

Reservoir: Tertiary basin floor fan. Expected porous reservoir thickness: minimum: 10m, mean: 15m; maximum: 20m

Source: Lacustrine organic-rich shales from Neocomian/Barremian syn-rift and marine organic-rich shales from the transitional units (Aptian/lower Albian), similar to those been identified in the offshore Brazilian basins. It is important to mention the possibility of the presence of Perm/Triassic Karoo shales ('Whitehill Fm').

Trap: Combined stratigraphic/structural trap.

Seal: Tertiary marine shales.

Migration: Short-distance horizontal migration associated with vertical component along medium/small transfer fault zones (ZIFTT).

	Probabilistic distribution				
	Low Estimate	*Best Estimate*	*High Estimate*		
Lead Sabertooth Cat	*P90*	*P50*	*P10*	*MEAN*	*Units*
Area	100	141	200	146	km^2
Thickness	10	14	20	15	m
Porosity	20	24	28	24	%
Oil saturation	60	70	80	70	%
Volumetric factor	1.2	1.3	1.4	1.3	
Recovery factor	20	24	30	25	%
Prospective resources	33	60	107	66	million m^3
Prospective resources	208	378	670	417	mmbbls

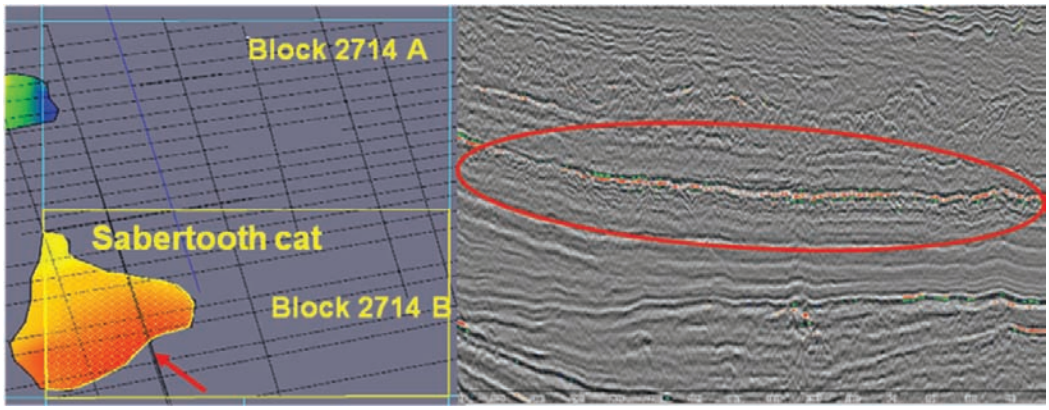


Figure 39 – Map of the Sabertooth Cat Lead, showing its seismic amplitude anomalies and hydrocarbon volumetric estimations.

COMBINED 3-LAYER PROSPECT:

A combined three layer Prospect has been identified in Block 2714 A where it is reasonable to anticipate one well test that can evaluate the three stackable Leads of Mastodon, Mammoth and Woolly Rhino. Individually, the confidence in each of these layers classifies them as Leads, however, the stackability of these targets reinforces the confidence to categorise them as a single Prospect. Please refer to Figure 34 above where you can see the PSDM seismic section showing the superposition and the closure of the Mastodon, Mammoth and Woolly Rhino combined Prospect.

	Probabilistic distribution				
Combination Prospect (Mast/Mamm/Rhino)	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Units*
Area – Mastodon	100	173	300	188	km^2
Thickness – Mastodon	15	21	30	22	m
Porosity – Mastodon	20	24	30	25	%
Oil saturation – Mastodon	60	70	80	70	%
Volumetric factor – Mastodon	1.2	1.3	1.4	1.3	
Recovery factor – Mastodon	20	24	30	25	%
Area – Mammoth	100	141	200	147	km^2
Thickness – Mammoth	15	21	30	22	m
Porosity – Mammoth	13	16	20	16	%
Oil saturation – Mammoth	60	70	80	70	%
Volumetric factor – Mammoth	1.2	1.3	1.4	1.3	
Recovery factor – Mammoth	20	24	30	25	%
Area – Woolly Rhino	20	63	200	88	km^2
Thickness – Woolly Rhino	20	28	40	29	m
Porosity – Woolly Rhino	10	12	15	12	%
Oil saturation – Woolly Rhino	60	70	80	70	%
Volumetric factor – Woolly Rhino	1.2	1.3	1.4	1.3	
Recovery factor – Woolly Rhino	20	24	30	25	%
Prospective resources	20	75	185	93	million m^3
Prospective resources	127	469	1,161	582	mmbbls

4.2 ***Volumetric estimation – Prospect and Lead inventory***

Preliminary volumetric quantification was performed on the one Prospect and Lead in Block 1811A &B and for the five Leads in Blocks 2714A and 2714B (Figures 39 and 40). The volumetric petroleum quantification was based on 2D seismic lines, interpreted in time and transformed in depth using interval velocities given by few available wells and some reprocessed seismic lines in depth (PSDM).

In order to verify the impact of deterministic and probabilistic volume calculations, one simple deterministic and two probabilistic calculations were performed. The probabilistic calculations use the Latin Hypercube method with 5,000 runs and the Monte Carlo method with 5,000 runs for each Prospect. The deterministic and other probabilistic methods were studied to understand volumetric sensitivity but the Latin Hypercube method was ultimately selected to depict resource volumes.

Probabilistic method for volumetric estimation

All of the parameters as detailed in the Prospect and Lead section above were utilised as inputs to a probabilistic model which simulated the prospective resources tabled below. The probabilistic volume calculation used a Latin Hypercube method with 5,000 iterations (see section 2.1 on how the method is chosen).

	Gross attributable to Licence in mmbbls				*Net attributable to the Group in mmbbls*					
Probabilistic Volume Method (Latin Hypercube – 5,000 iterations)	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Low Estimate P90*	*Best Estimate P50*	*High Estimate P10*	*MEAN*	*Risk Factor*	*Operator*
Prospect Zamba	335	793	1,816	968	335	793	1,816	968	14	Enigma
Lead Tapir	211	539	1,306	675	211	539	1,306	675	13	Enigma
Lead Scimitar	120	246	512	288	120	246	512	288	11	Enigma
Lead Mastodon	340	732	1,502	856	340	732	1,502	856	13	Enigma
Lead Mammoth	224	396	724	438	224	396	724	438	13	Enigma
Lead Woolly Rhino	51	173	606	258	51	173	606	258	13	Enigma
Lead Sabertooth Cat	208	378	670	417	208	378	670	417	11	Enigma
Total for Oil & Liquids*	1,489	3,257	7,136	3,900	1,489	3,257	7,136	3,900		

** The total for oil and liquids is not a summation – it has been modelled using a probabilistic method.*

Probabilistic volume method (Latin Hypercube – 5,000 iterations)

	Oil in place in mmbbls				*Prospective resources in mmbbls*			
	P90	*P50*	*P10*	*MEAN*	*P90*	*P50*	*P10*	*MEAN*
Combo 3 Layer Prospect (Mast/Mam/Rhino)	524	1,885	4,597	2,336	524	1,885	4,597	2,336

Probabilistic Latin Hypercube (5,000 runs)

	Oil in place in mmbbls				*prospective resources in mmbbls*			
Block 1811 A & B	*P90*	*P50*	*P10*	*MEAN*	*P90*	*P50*	*P10*	*MEAN*
Tapir	914	2,210	5,253	2,716	211	539	1,306	675
Zamba	1,408	3,184	6,845	3,880	335	793	1,816	968

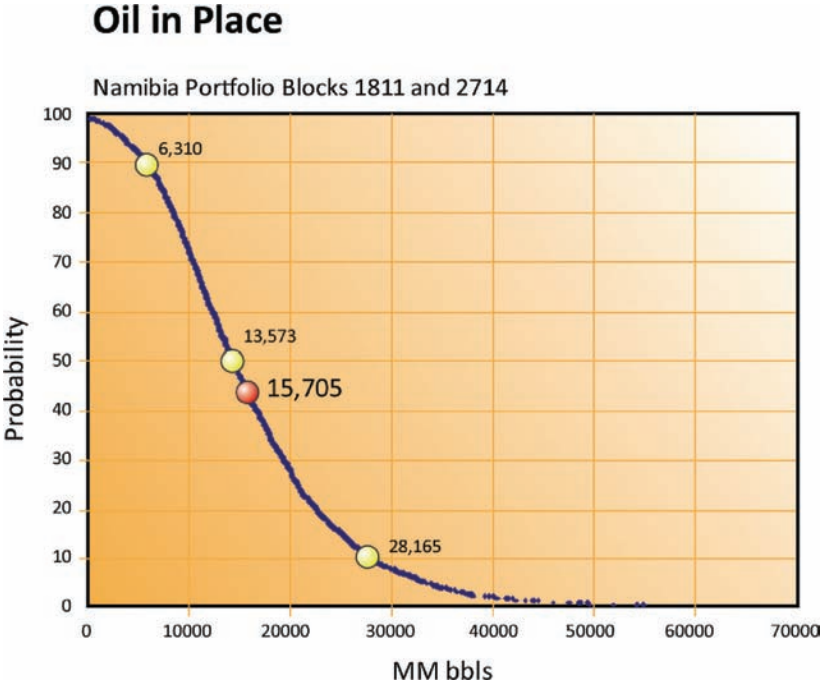
Probabilistic Latin Hypercube (5,000 runs)

	Oil in place in mmbbls				*prospective resources in mmbbls*			
Block 2714 A & B	*P90*	*P50*	*P10*	*MEAN*	*P90*	*P50*	*P10*	*MEAN*
Scimitar	511	999	2,206	1,162	120	246	512	288
Sabertooth Cat	899	1,523	2,680	1,675	208	378	670	417
Mammoth	934	1,659	2,866	1,792	224	396	724	438
Mastodon	1,431	3,307	6,045	3,451	340	732	1,502	856
Woolly Rhino	213	691	2,450	1,029	51	173	606	258
Combined: MAST/MAM/RHINO	127	496	1,161	582	127	469	1,161	582

Block 1811 A & B Plus Block 2714 A & B Prospect and Lead inventory totals

All Prospects	*P90*	*P50*	*P10*	*MEAN*
Oil in place in mmbbls	6,310	13,573	28,165	15,705
Prospective resources in mmbbls	1,489	3,257	7,136	3,900

Figure 40 – (tables) Latin Hypercube simulation method, with 5,000 run interactions, for the Prospect and Leads of the Blocks 1811A&B and 2714A&B.



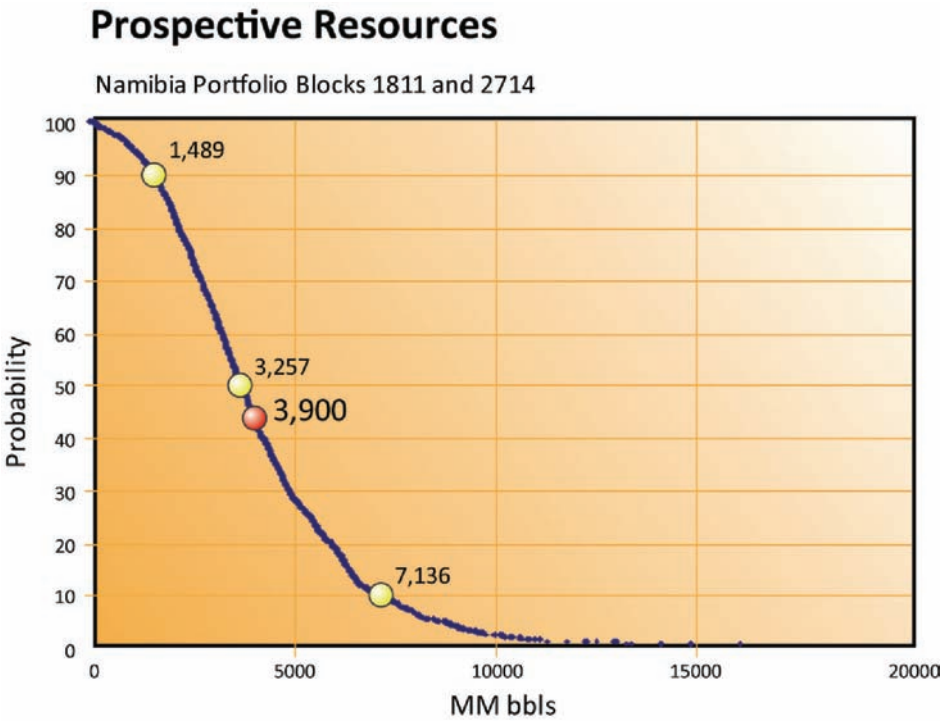


Figure 41 – Consolidated results obtained with probabilistic modelling (Latin Hypercube simulation with 5,000 iterations) for the entire Prospect and Lead inventory

4.3 *Offshore Blocks – compositional 3D petroleum system modelling*

In order to assess the consistency of the geological, geochemical and geophysical interpretations, a regional 3D compositional basin modelling was performed in the entire offshore area of Namibia. Such an approach aimed to establish the basin scale geological parameter constraints and to understand the regional aspects of the geological evolution of the petroleum systems elements and processes. In a second stage, detailed 3D compositional basin modelling was performed over the Blocks 1811 and 2714 aiming to assess generation, migration, oil quality and hydrocarbon volumetric calculation.

4.3.1 *Introduction*

A core technology in hydrocarbon exploration is the application of 3D compositional petroleum system basin modelling. Such an approach is the only one that can, under a critical behaviour, assess exploration risks where large geological uncertainties are involved prior to drilling a Prospect. While trap risk can be assessed through the direct interpretation of geological and geophysical data, charge risk appraisal is hampered by the complex interplay of geological processes that control petroleum generation and migration in sedimentary basins. The geological processes operating in a sedimentary basin are numerous but the important ones are sedimentation, compaction, heat conduction, chemical kinetics, and fluid flow through porous media. Basin modelling is the only tool that allows the simulation of these phenomena in a physically consistent manner.

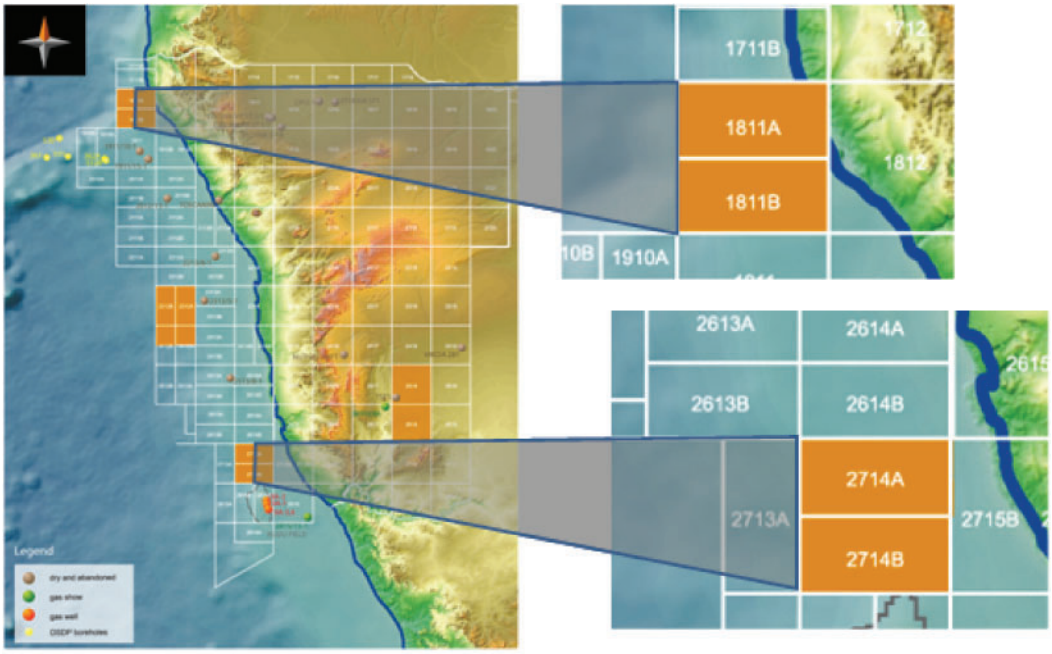


Figure 42 – Location map of the Blocks 1811 and 2714 where 3D compositional petroleum system modelling was performed in this study.

4.3.2 Objectives

In this study, geological, geochemical and geophysical data from two Blocks: 1811 A&B and 2714 A&B) were integrated, providing basis for the construction of a 3D basin framework and geological model to be simulated by PetroMod (v.10). The Blocks are located offshore Namibia (Figure 42). The objectives of this modelling study were:

- To define the location where the source rock reached sufficient thermal evolution to generate and expel hydrocarbons;
- To determine the timing and duration of hydrocarbon charge;
- To locate the drainage areas and petroleum migration pathways; and
- To predict the hydrocarbon type (oil, gas, condensate).

4.3.3 *Model inputs*

The model of Blocks 1811A & B was built based on the following input data:

1. Seven high resolution maps supported by regional maps. The interpreted geological horizons are: Neogene, Oligocene, top Campanian, Albian, Aptian, Aptian-Barremian and rift;

2. Well data and surface geology data, including stratigraphy, lithology and calibration data;

3. Geochemistry data based on the well 1911-15-1 (in Block 1911);

4. Estimated present day source rock properties (HI, TOC, Ro) for the source rock layers;

5. General (and simplified) spatial distribution of sedimentary facies.

For Blocks 2714A & B the following input data was used:

1. Nine high resolution geological maps. The interpreted horizons are: Pliocene, Miocene Superior, Oligocene/Eocene, Maastrichtian, Aptian/Campanian, Aptian, Barremian and Basement.

2. Information on the Kudu Field was used to estimate present day source rock properties (HI, TOC, Ro) for all the source rock layers. It was also used to estimate the spatial distribution of sedimentary facies.

4.3.3.1 Geometry, stratigraphy and lithology

For Blocks 1811A & B the regional maps were used to build a 3D geological model. This initial model was further subdivided based on an analysis of the relative thicknesses of the stratigraphic units recorded in the Namibia Basin (offshore). The resulting stack had nine layers that includes two source rocks (rift-Barremian/or older and Aptian) and one carbonatic reservoir layer (Albian). The absolute ages were taken from the stratigraphic chart (Figure 8) and from well 1911/15-1. The lithologies were based on public Namibia Basin data and they have variable properties (porosity, permeability, conductivity and sealing characteristics) based on PetroMod lithological database.

In Blocks 2714A & B nine regional maps were used to build a 3D geological model. This model was subdivided into additional layers resulting in 18 stacked layers, including the two source rocks (Barremian and Aptian) and two reservoir layers (Maastrichtian and Oligocene). The absolute ages were taken from the stratigraphy shown in Figure 8. The lithologies were estimated by the same way as for Blocks 1811 A&B.

4.3.3.2 Source rocks

For Blocks 1811 A & B two source rock layers were interpreted and included in the model. Their thicknesses range from 30 to 400 metres. The age of the deepest source rock is Barremian or older (potentially Jurassic) and it is considered to contain marine/ lacustrine saline type II kerogen, with TOC values around 3% and HI up to 350 mgHC/gC. The Albian-Aptian source rock contains marine source rock, with TOC values ranging from 2.5 – 3%. HI was considered equal to 400 mgHC/gC.

For Blocks 2714A & B two source rock layers were also included in the model. Their thicknesses range from 50 to 450 metres. The source rock in the rift section is also considered Barremian (or older) and to contain a marine/ lacustrine saline type II kerogen, with TOC values ~ 4%. The Albian-Aptian source rock contains marine source rock with TOC value ~ 3% The HI values for the Barremian and Aptian source rocks are the same as in Block 1811 and it is worth to mention that, in view of the richness of these two source rocks in Brazilian marginal basins, the values defined in this study are conservative.

4.3.3.3 **Calibration**

The background values of the heat flow maps were adjusted in order to be consistent with the present day temperature values of the basin. The background of the heat flow maps (of all ages) are considered to be the same. Maturation and thermal results estimated by the simulator are well calibrated with measured BHT temperature and vitrinite reflectance data from well 1911.

4.3.4 **Predicted accumulations in Blocks 1811 A&B**

The main reservoir rocks are shallow marine carbonates of Albian age. Porosities are good within grainstone and packstone facies (15-25% in well 1911/15-1). Permeabilities in the same interval vary from 10 to 500 md; the interval is characterized by low velocities values in the sonic log. The other important reservoirs are turbidites of upper Cretaceous age.

Figure 43 shows a geological section in Blocks 1811 A&B with the facies distribution and indicating the likely accumulations within the potential reservoirs. The vectors illustrate how well hydrocarbons migrate through the rocks.

One Prospect and one Lead are present. The first target is at 2,000 m below sea bed level where the bathymetry is 700 – 900 m. The second target is at 4,600 m below sea bed level where the bathymetry is deeper: 2,300 – 2,500 m. Note that one target sits just above the second and does not show an accumulation. However, if the rocks are in fact more permeable in this region or source rocks are richer, then vertical migration would take place and would allow the filling of the second Lead (located in deep waters). This possibility cannot be ruled out at the present exploration stage of the basin.

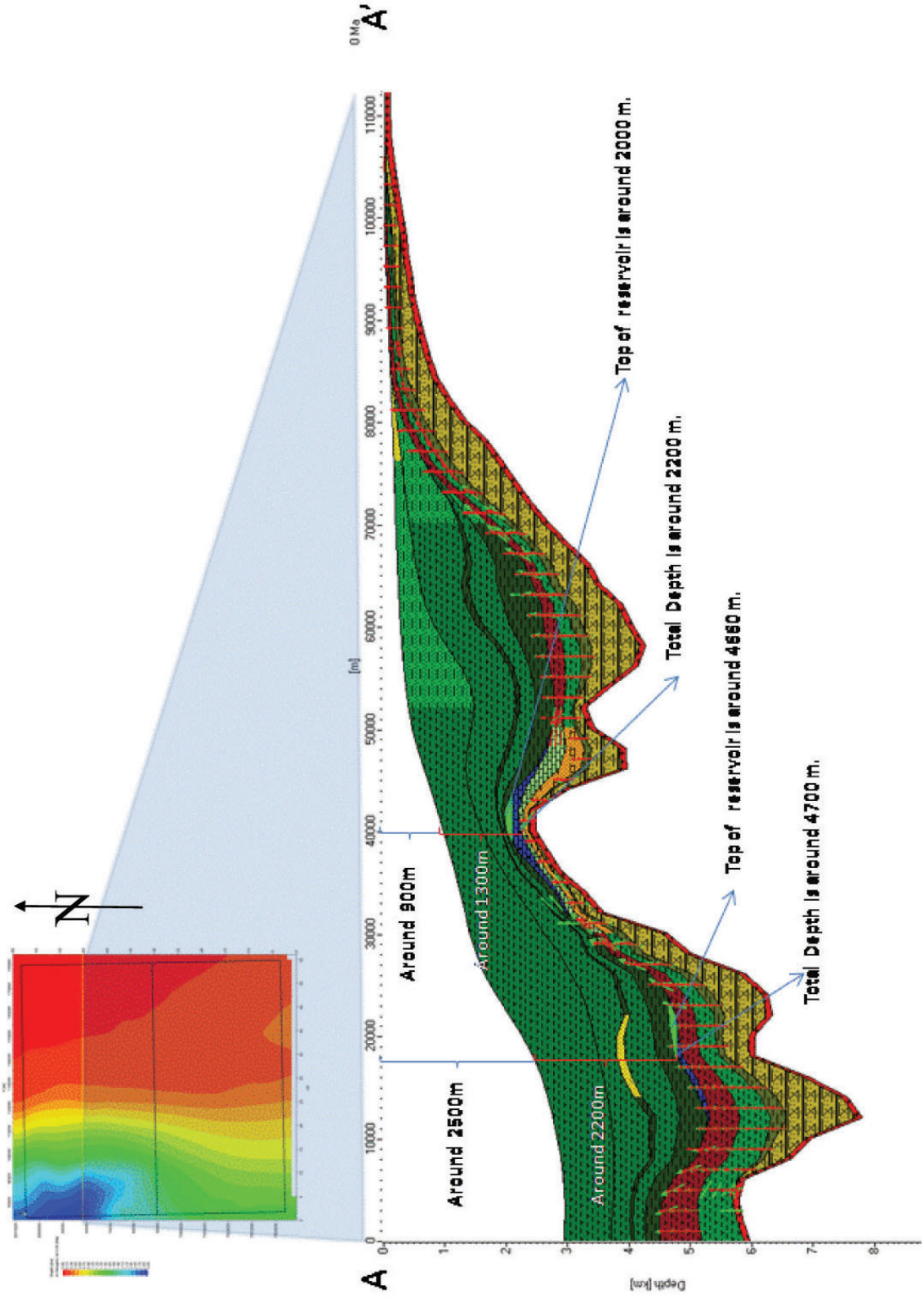


Figure 43 – Section AA' in Blocks 1811 A & B, shows the structures present in W-E direction. The coloured figure in the left corner is the present day water depth map indicating the position of the cross-section. As can be observed, both the Zamba and the Tapir Prospects were charged, by liquid hydrocarbons up to spill point.

Figure 44 shows the Albian structural map and the line location section AA'. Note that over line AA' appears two labels indicating values of depth to Albian top Prospects.

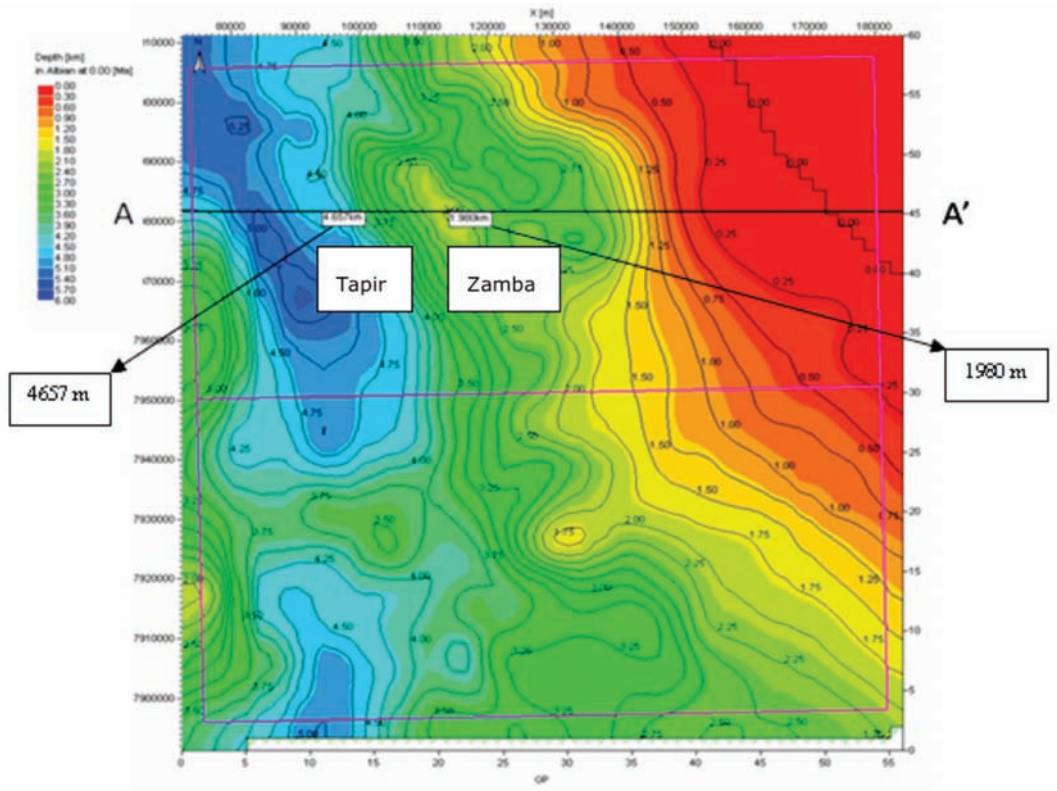


Figure 44 – Structural map of Albian top. The thin purple line indicates the limit of the Blocks A and B. The black line indicates the cross section AA'.

Figures 45 to 50 show the degree of estimated maturation and overlay map in the rift structural surface of source rocks of Block 1811. In Figure 45 the structural perspective shows the estimated values of %Ro (vitrinite reflectance). Mature zones only appear in the south-west area and do not contain overmature zones within the region. The dominant drainage area links the depocenter of Block A to the highs in the east and does not receive much of the evolved hydrocarbons generated in the south, from Block B.

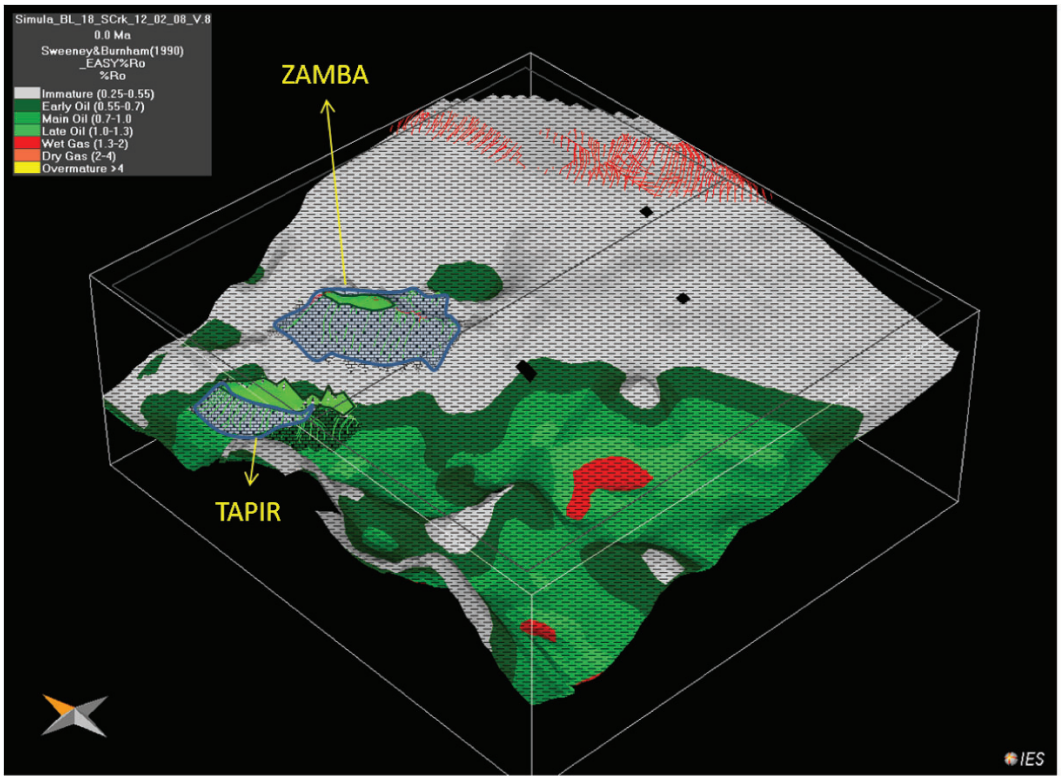


Figure 45 – A southwest 3D view of Block 1811A & B. It shows the surface of the Barremian source rock coloured with estimated vitrinite reflectance values. The ellipses outline potential accumulations (with flow paths) in carbonate reservoirs of Albian age.

Additionally, Figure 46 shows a 3D view of the maturity of the Aptian surface. Mature zones are more restricted in this area than for the Barremian source rock. An ample generation zone appears only in the south-west area and there is a restricted gas zone in Block B.

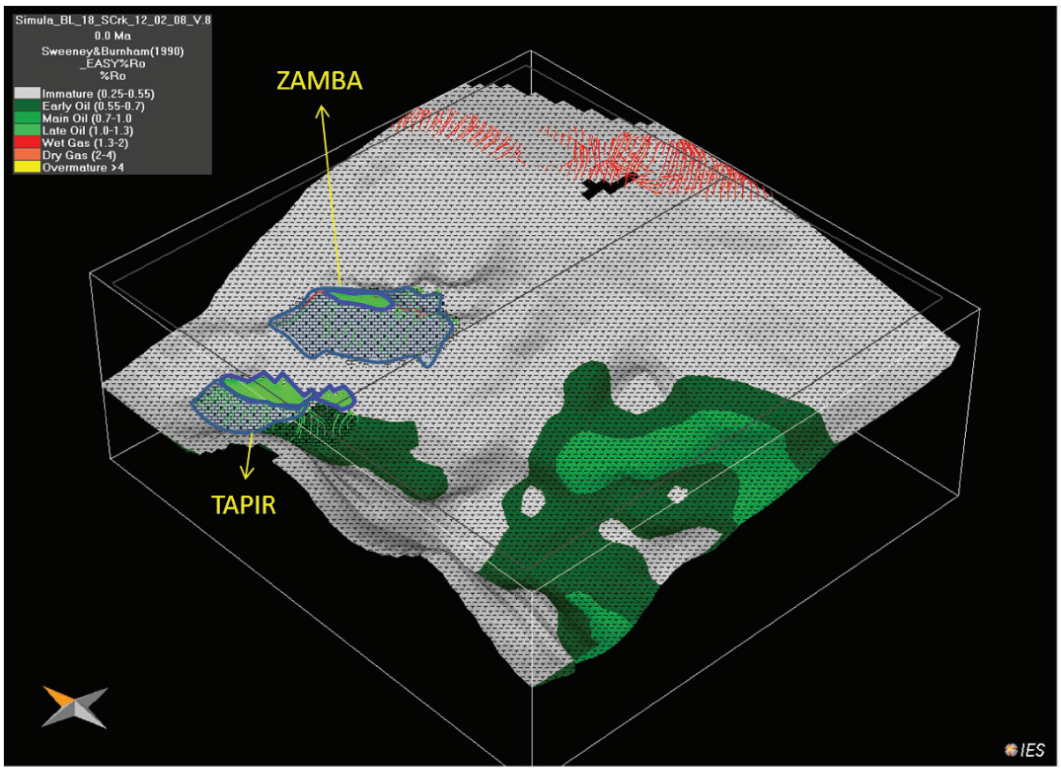


Figure 46 – A southwest 3D view of Blocks 1811A & B. It shows the surface of the Aptian source rock coloured with estimated vitrinite reflectance values (grouped in hydrocarbon zones). The blue lines indicate potential accumulations (with flow lines) in carbonate reservoirs of Albian age.

In summary, in our view, the source rock pods of hydrocarbon generation in Blocks 1811A & B attained enough thermal evolution to generate and expel large amounts of liquid hydrocarbons to charge and fill the reservoirs in the structural highs and in stratigraphic traps.

The main peak of the first expulsion phase of the Barremian source rock happened between 96 and 72 Ma. The Aptian source rock expelled smaller amounts of petroleum compared with the Barremian source rock. A very important hydrocarbon migration drainage area is present in Block 1811A with a high convergence factor. The simulated migration pathways presented a strong focus toward two large structural highs where the Zamba Prospect and Tapir Lead occur.

4.3.5 *Predicted accumulations in Block 2714 A & B*

The main reservoir units in these two Blocks are all turbidites of Campanian, Maastrichtian and Oligocene/Miocene age. Figure 47 shows a section in Block 2714 A & B. It shows the facies distribution and the potential accumulations within the interpreted reservoirs.

Five Leads were mapped in the blocks. Three of them (Mastodon, Mammoth and Woolly Rhino) were combined to form one Prospect. The first exploration target is expected to occur at 3,200 m below sea level, presenting a bathymetry of 1000m (Figure 48).

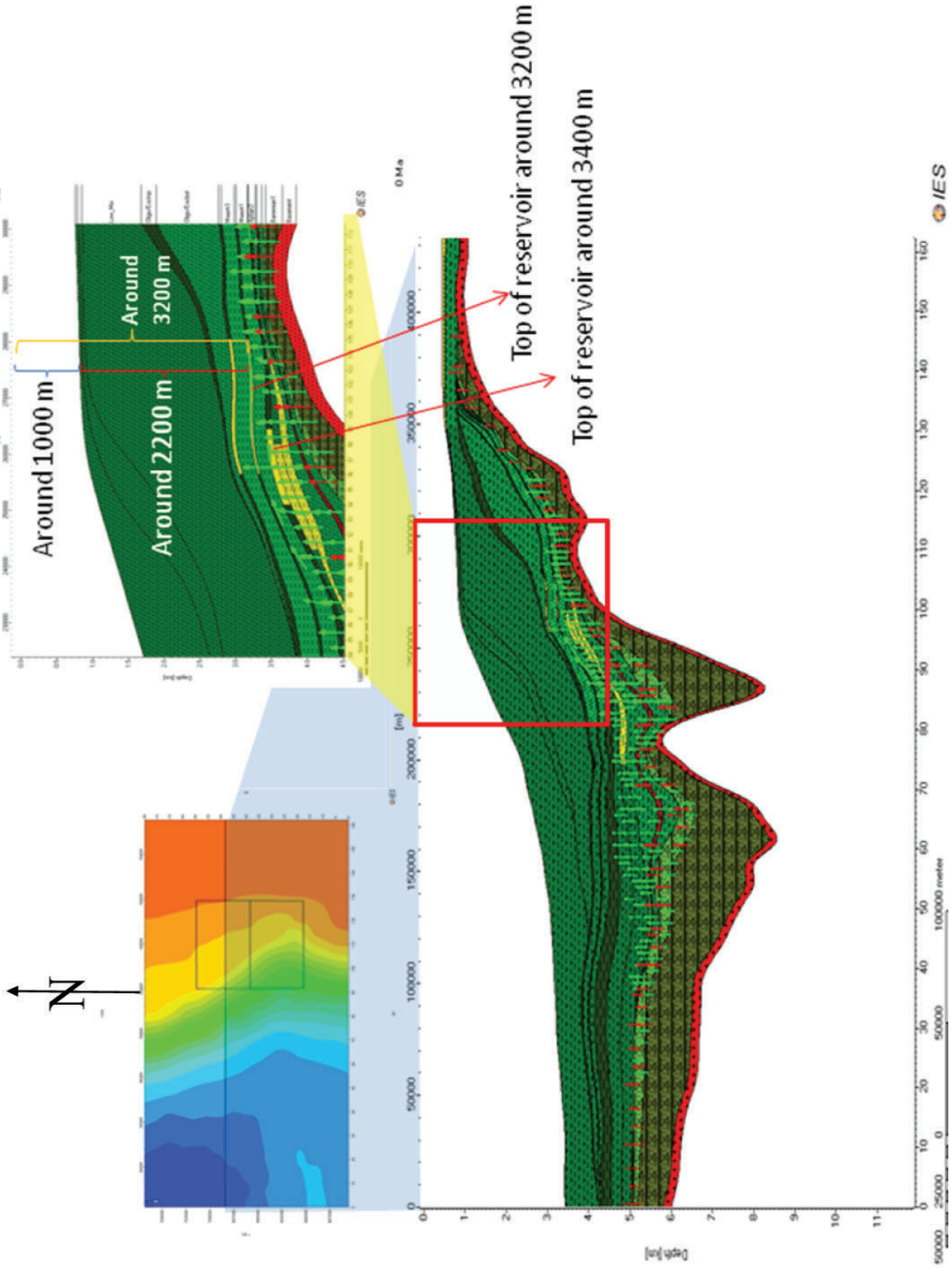


Figure 47 – Geological section in Blocks 2714 A & B showing the existing structures and reservoirs along the W-E direction. The coloured figure in the left corner is present day bathymetry indicating the position of the cross-section.

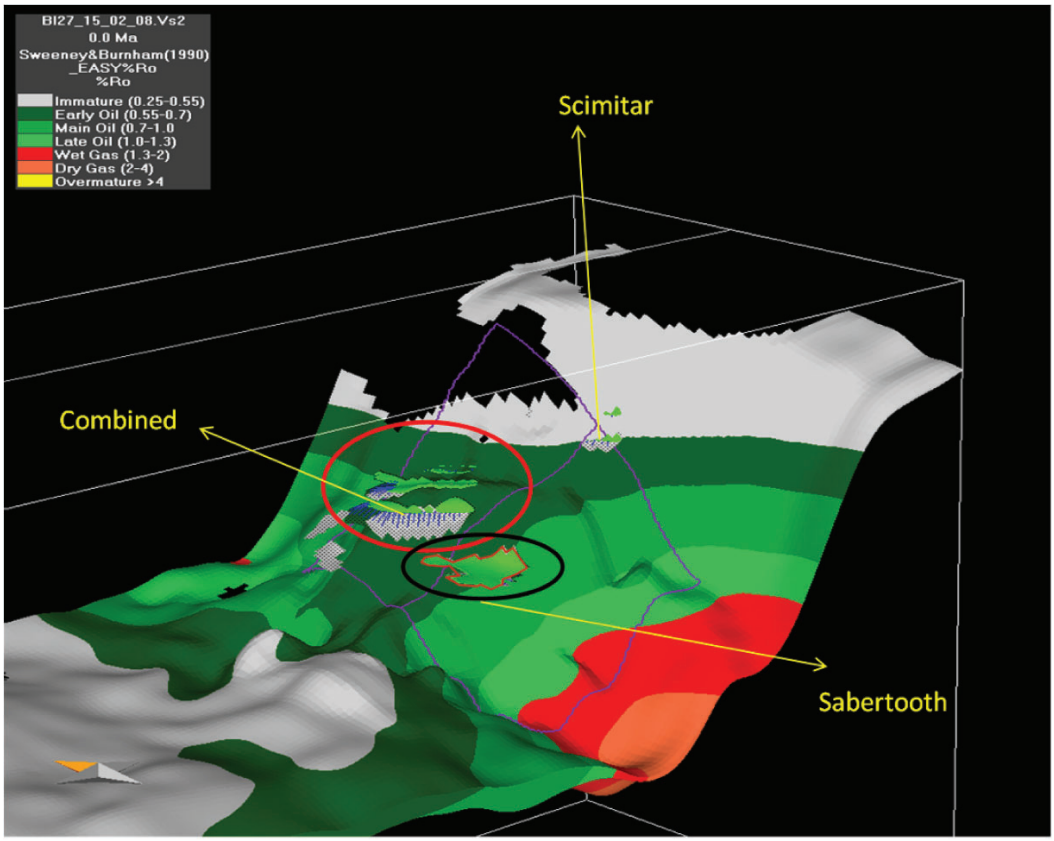


Figure 48 – A southwest 3D view of Blocks 2714 A & B

Figure 48 shows the surface of the Aptian source rock with colour coded predicted vitrinite reflectance values. The red ellipse outlines potential accumulations in reservoirs sandstones of Maastrichtian age. The accumulation in the southern Block 2714 B, is a stratigraphic trap of Oligocene/Miocene age (black ellipse).

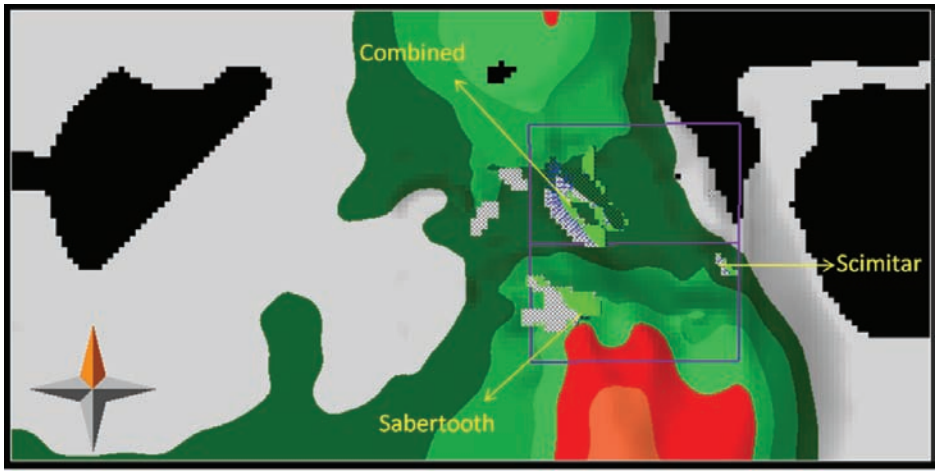


Figure 49 – Map view of Blocks 2714 A & B showing the same attributes of Figure 48 shown above: maturation of the Aptian source rock surface (colour scale: estimated vitrinite reflectance).

In Figure 49 the dark green accumulation is the early oil zone and the red area indicates the Wet Gas Zone. Although the accumulation in Block 2714 B is near the gas generating zone of the Aptian source rock, the hydrocarbons trapped contain only liquid petroleum.

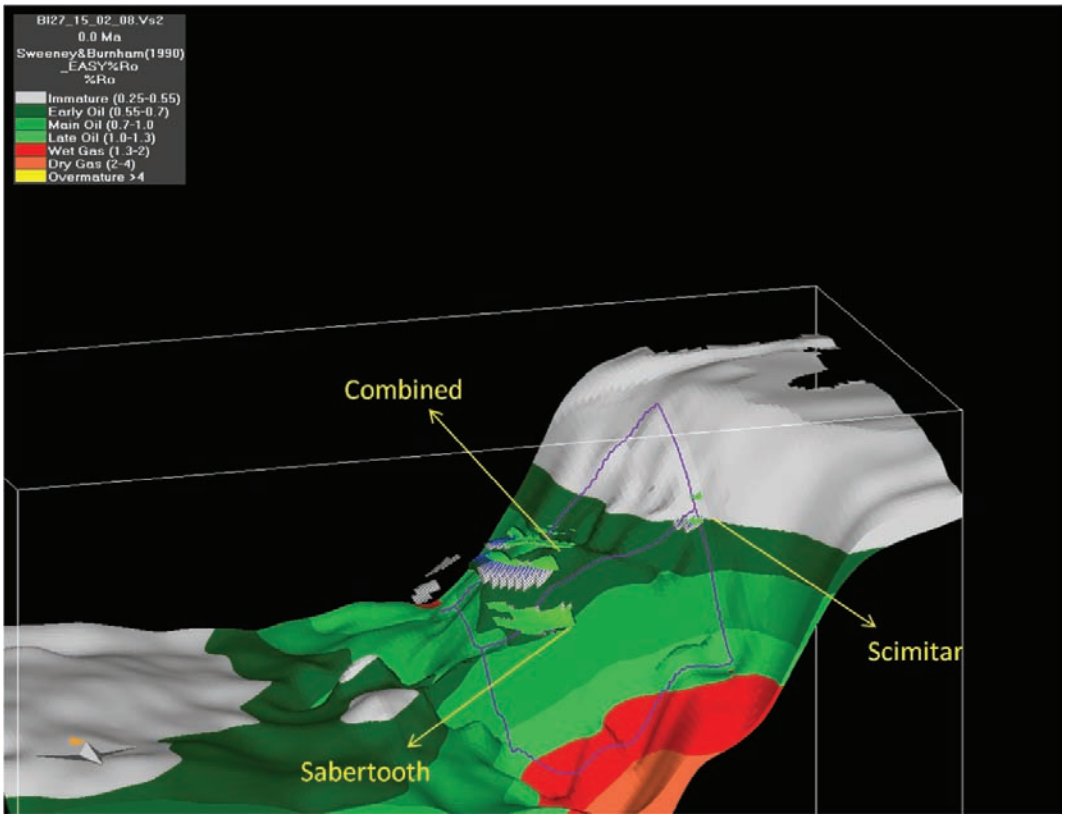


Figure 50 – A 3D view of Blocks 2714 A & B from south showing the morphology and the maturation zones of the Barremian source rock surface (colour scale: estimated vitrinite reflectance).

In Figure 50 the dark green is the early oil zone and the red area indicates the wet gas zone. Observe that maturation increases from the northern to the southern Block. Note that there are accumulations in both Blocks 2714A & B.

In summary, in our view, the source rock pod of hydrocarbon generation in Blocks 2714A & B attained thermal evolution to generate and expel large amounts of liquid hydrocarbons to fill the reservoirs in the structural highs and in stratigraphic traps up to spill points.

The main peak of expulsion of the first generation phase of the Barremian source rock occurred between 112 and 88 Ma. For the Aptian source rock the simulations indicate two peaks, but the most important occurred only at 5 Ma (with 100% transformation rate).

The modelling results, as observed in the area of the Blocks 1811A & B, showed the presence a huge convergent drainage area in the Blocks 2714A & B towards the large structural basement highs where most of the Leads and combined Prospect are associated.

The trapped hydrocarbons are predicted to be oil, although there is a source rock pod in the gas window in the deepest area south of the Block.

4.4 *Central offshore Blocks – exploration upside*

In spite of the sparse seismic coverage, seismic interpretation of the Blocks 2312A, 2312B and the northern half of the Blocks 2412A and 2412B is being performed by HRT.

To date a series of seismic features have been identified in the blocks and appear to represent (Figure 51), cut and fill features with associated amplitude anomalies, thick rift sequence and the presence of structural highs that give indications of a potentially active petroleum system. Also, amplitude anomalies are observed in the shallow sequence associated with transform faults that can be interpreted as hydrocarbon seeps and gas hydrate deposits.

Future work will include seismic reprocessing (PSDM), 2D seismic acquisition and a detailed 3D compositional basin modelling. At this stage, these Blocks can be considered as exploration upside.

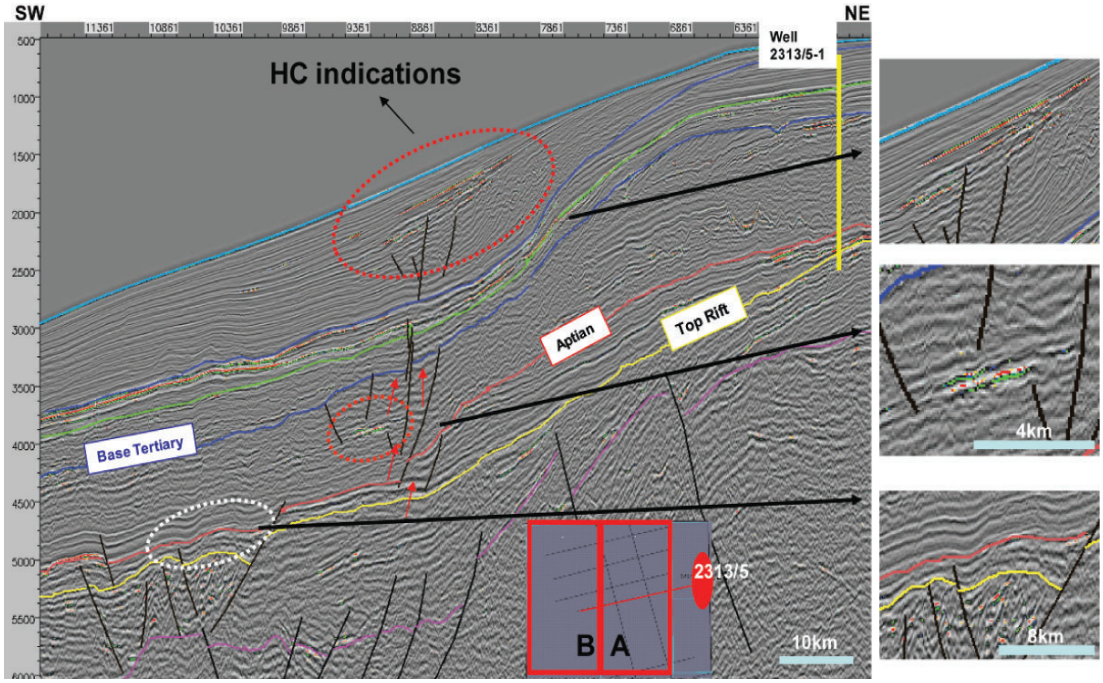


Figure 51 – Seismic section, in time, showing potential exploration targets and amplitude anomalies, transform faults and gas hydrates features within the Blocks 2312A&B area.

4.5 *Onshore Blocks*

In order to evaluate the presence of a potential petroleum system in the onshore Chariot Blocks (2518 and 2618) located in the Nama Basin, a morpho-structural satellite interpretation was conducted to support geological and geochemical field work. The work consisted of surface geology reconnaissance, sampling for rock, oil and surface gas, microbiology and age dating. During the field work several potential source rocks and two potential oil seep samples were collected and analysed by HRT (Figures 52 – 54).

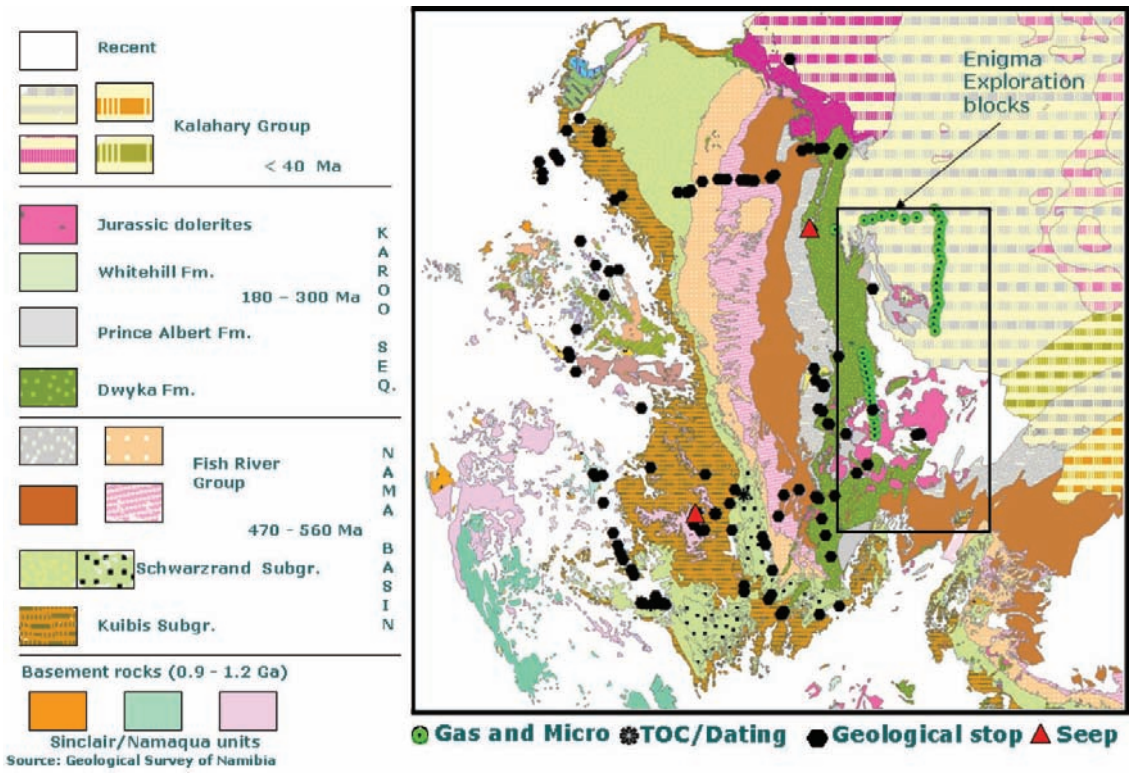


Figure 52 – Outcrop description and geochemical sampling for gas, microbiology and TOC.

During the field campaign two potential oil seeps have been collected in the outcrops' region, west of the Blocks 2518 and 2618 (see red triangles in Figure 51). The oil seep 1 was found in a cemented (silica) fault plane zone as oil inclusions. This fault zone, oriented NNW, is clearly observed in the satellite image and on the field (Figures 52 to 54). This seep was probably sourced by Cambrian or older marine source rocks. The other potential seep was found in the Fish River Fm., also associated with fault zones, and is characterised by a black material that needs additional compositional analysis for better characterisation. Further detailed high resolution geochemistry technology (HRGT) analyses will be done to assess the composition of the collected material, its thermal evolution, degree of cracking and the age of the source rock.

In summary, the presence of an oil seep in the Nama Basin indicates that a source rock system was active during the evolution of the basin. However, if and how such hydrocarbons were preserved will need to be addressed by further exploration work.

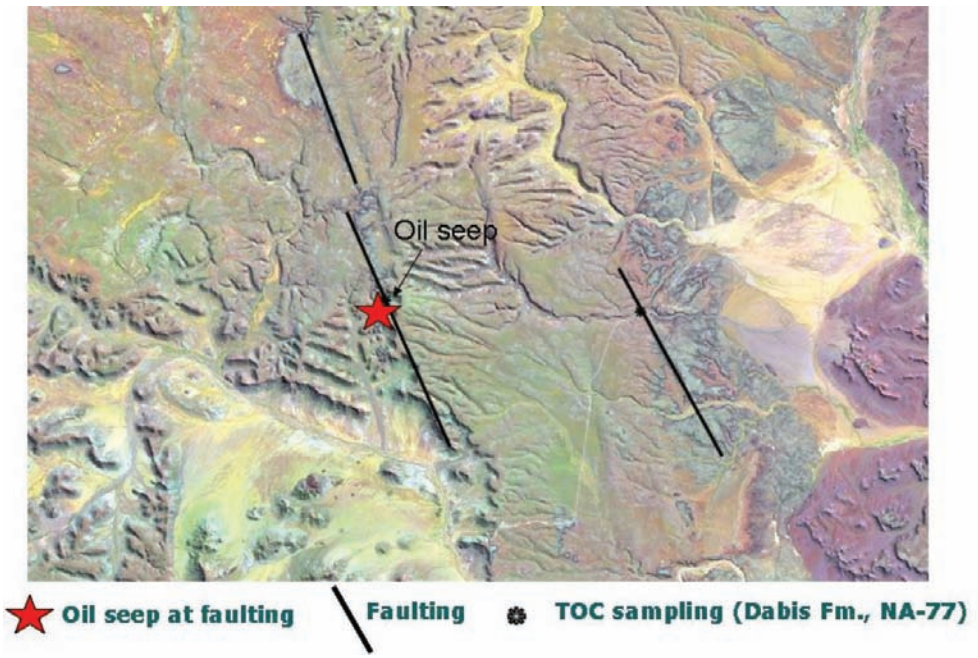


Figure 53 – Satellite image showing the oil seep 1. It is possible to see the NNW fault zone.

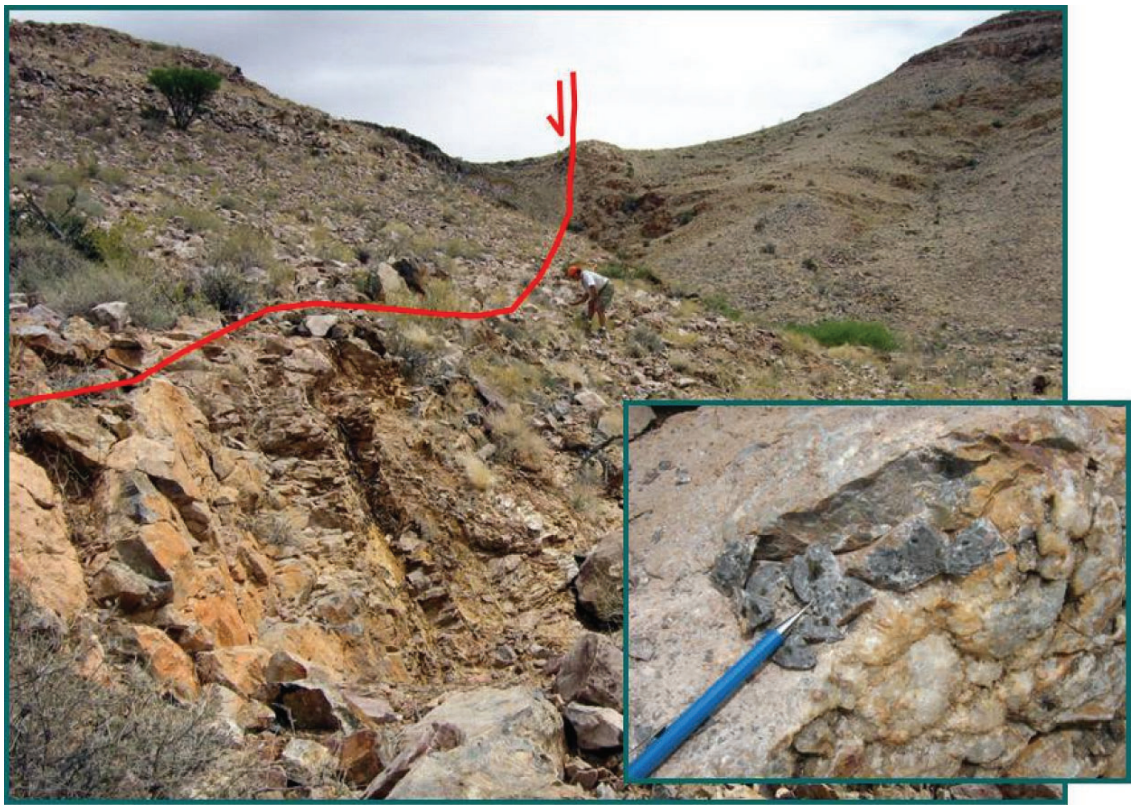


Figure 54 – Oil seep 1 main view (fault zone) and a detail of the oil inclusions.

5. Future work Programme

Future work on the Blocks will consist of a geological and geophysical program to be carried out, up to the end of the first exploratory period. The acquisition of a 2D and 3D programme aims to maximize the prospectivity of Chariot's Blocks (See table below).

Geological Studies	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Biostratigraphy study of available well samples (cutting and core)								
Seismostratigraphy and high resolution Stratigraphy/ Sedimentological Study and Depositional Facies								
High Resolution Geochemistry Technology (Oil and Rock)								
Detailed Reservoir study - Plugs (density, permeability, porosity, thin section, diagenesis)								
Surface geochemistry and microbiology survey 3000 samples								

Geophysical Studies	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Field data purchase + PSDM + Amplitude and AVO analysis								
Geophysical (seismic/gravimetric/magnetometric) Reinterpretation and Mapping								
Seismic planning: definition of parameters for acquision 2 and 3 D surveys								
Seismic Acquistion and QC	3D		2D	2D	3D			
Seismic processing PSDM and QC								
Detailed Aeromagtometric Survey and QC								
Well Seismic Correlation and Synthetic Generation								

Miscellaneous Studies	1811A	1811B	2312A+1/2(2412A)	2312B+1/2(2412B)	2714A	2714B	2518	2618
Data integration (Project Generation, 3D Modeling, Volumetric and Risking)								
2D and 3D Structural Reconstruction and Modeling								
Economic Evaluation								
Namibia Geodata								

basin based study
block based study

Source: Group management information

By 2010-2011, Chariot will be in a position to elect to renew its Licences and potentially conduct a drilling campaign.

6. Conclusions

The integration of all available data reveals strong similarities between the Southern Brazil petroliferous provinces containing giant oil and gas fields (e.g. the Campos and Santos Basins) and the Western Namibian marginal basins with respect to their depositional sequences, rock types, and oil finger-printing.

The integration of geological and seismic data in depth (after special PSDM reprocessing), led to the identification of one Prospect and one Lead in Blocks 1811A & B and a combined Prospect (3 Leads) and two additional Leads in Blocks 2714A & B. The lack of good 2D seismic coverage and geological data over the Blocks 2312A & B, N/2 (northern half) of 2412A and N/2 (northern half) of 2412B, in the Walvis/Lüderitz Basins, has only allowed the identification of exploratory upside at this point in time.

The integration of in-depth seismic maps with fully compositional 3D petroleum system modelling predicts, for the combined Prospect and Lead inventory on Blocks 1811 and 2714, a mean original oil in place of 15.7 billion barrels and a mean prospective resource volume of 3.9 billion barrels of oil using a probabilistic methodology.

Geological, geochemistry and gravimetric studies to evaluate the hydrocarbon potential of the onshore Blocks 2518 and 2618 in the Nama Basin are still ongoing.

Oil seeps collected in a fault plane cemented zone in the Nama Basin are a positive indication that a Palaeozoic or older age oil has been generated in the basin. The exploration uncertainty is in how much was generated and how much was preserved throughout geological time to present day.

Further exploration studies in the Nama Basin, involving surface geochemistry/microbiology, will be carried out in 2008/2009, aiming to assess, quantitatively, the presence or absence of active source rock systems. If confirmed, additional 2D seismic will be acquired.

The application of detailed 3D petroleum system modelling predicts the presence of many oil accumulations in Blocks 1811 and 2714. Most importantly, the 3D compositional petroleum system modelling results indicate there are favourable migration pathways towards all the Chariot Blocks of interest and that the system is overcharged and therefore capable of filling the mapped Prospect and Leads to spill point.

Although deep water Namibia is a frontier exploration region, the integration of all data available and its similarities with the petroliferous basins of Brazil strongly suggest that Chariot's Assets in Namibia may hold giant to super giant hydrocarbon resources.

7. References

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PART 5

FINANCIAL INFORMATION

Section A – Accountant's report on the Group

BDO Stoy Hayward LLP
Chartered Accountants

BDO Stoy Hayward LLP
55 Baker Street
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13 May 2008

The Directors
Chariot Oil & Gas Limited
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St Peter Port
Guernsey
GY1 2HU

KPMG Corporate Finance
a division of KPMG LLP
8 Salisbury Square
London
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Dear Sirs

Chariot Oil & Gas Limited (the "Company") and its subsidiary undertakings (together, the "Group")

Introduction

We report on the financial information on the Group set out in Section B of Part 5 of this document. This financial information has been prepared for inclusion in the admission document dated 13 May 2008 of the Company (the "Admission Document") on the basis of the accounting policies set out in note 3 to the financial information on the Group. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent therein provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at the date stated and of its consolidated losses, cash flows and recognised income and expense for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with IFRSs as described in note 3 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Consolidated income statement
for the period from the date of incorporation (13 August 2007) to 29 February 2008

	Notes	*Period ended 29 February 2008 US$000*
Administrative expenses		(2,835)
Loss from operations		(2,835)
Finance expense	4	(26)
Loss for the period before and after taxation	7	(2,861)
Loss per ordinary share – basic and diluted	8	(US$0.10)

The loss for the period arose from continuing operations.

Statement of recognised income and expense
for the period from incorporation (13 August 2007) to 29 February 2008

	Period ended 29 February 2008 US$000
Loss for the financial period	(2,861)
Total recognised income and expense for the financial period attributable to: equity shareholders	(2,861)
Loss for the period before and after taxation	(2,861)

Consolidated balance sheet
at 29 February 2008

	Notes	*As at 29 February 2008 US$000*
Assets		
Non-current assets		
Intangible assets	9	51,903
Property, plant and equipment	10	156
		52,059
Current assets		
Trade and other receivables	11	8
Cash and cash equivalents		3,528
		3,536
Total assets		55,595
Equity and liabilities		
Equity		
Share capital	14	1,988
Share premium	15	45,506
Other reserve	15	1,111
Warrant reserve	15	343
Foreign exchange reserve	15	(353)
Retained earnings	15	(2,861)
Total equity		45,734
Liabilities		
Current liabilities		
Trade and other payables	12	4,120
Non-current liabilities		
Financial liabilities	13	5,741
Total liabilities		9,861
Total equity and liabilities		55,595

Consolidated cash flow statement
for the period from incorporation (13 August 2007) to 29 February 2008

	Period ended 29 February 2008 US$000
Operating activities	
Loss for the year before taxation	(2,861)
Finance expense	26
Net cash flow from operating activities before changes in working capital	(2,835)
Increase in trade and other receivables	(8)
(Decrease) in trade and other payables	(3,252)
Net cash inflow from operating activities	(6,095)
Investing activities	
Expenditure in respect of intangible assets	(2,690)
Net cash outflow from investing activities	(2,690)
Financing activities	
Proceeds from issue of convertible loan notes	5,400
Issue costs relating to convertible loan notes	(420)
Issue of ordinary share capital	7,718
Net cash inflow from financing activities	12,698
Net increase in cash and cash equivalents in the period	3,913
Cash and cash equivalents at start of period	–
Effect of foreign exchange rate changes on cash and cash equivalents	(385)
Cash and cash equivalents at end of period	3,528

Major non-cash transactions

The Group acquired US$49 million of intangible assets in exchange for shares or shares to be issued.

Notes to the financial information

For the period ended 29 February 2008

1 Incorporation

The Company was incorporated in Guernsey on 13 August 2007 with the name Namquest Holdings Limited and changed to its present name on 16 November 2007.

2 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRSs").

The financial information is also prepared in accordance with the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" and has been prepared in accordance with its provisions.

In common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required.

Going concern

The Directors are of the opinion that the Group has adequate financial resources to enable it to undertake its planned programme of exploration and appraisal activities over the forthcoming twelve months.

Standards, interpretations and amendments to published standards effective in 2007 but which are not relevant to the Group

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but are currently not relevant to the Group's operations:

IAS 19 (Amendment), Actuarial Gains and Losses, Group Plans and Disclosures (applicable from 1 January 2006)

This amendment introduces the right to use alternative recognition of actuarial gains and losses. It may prescribe additional recognition requirements concerning employee benefit schemes adopted by the employers' group and lacking information sufficient for application of the particular employee benefit accounting method. It also demands implementation of additional recognition requirements. This amendment is not applicable to the Group since the Group has no defined employee benefits schemes.

IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006)

This amendment requires to initially recognise financial guarantees issued, except those previously declared by the Group as insurance contracts initially at their fair value, and thereafter to assess at the greater of: (a) unamortised balance of payments received and deferred, and (b) expenses required for repayment of liabilities at the balance sheet date. The Directors have considered this amendment to IAS 39 and come to a conclusion of its inapplicability to the Group.

IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006)

The interpretation is not applicable to the Group's activities.

IFRIC 6, Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (effective from 1 December 2005)

The interpretation is not applicable to the Group's activities.

IFRIC 7, Application of restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies (applicable to the reporting periods beginning on or after 1 March 2006)

This interpretation provides guidance for implementation of IAS 29 requirements during the reporting periods where a company determines hyperinflation in the economy of its functional currency if in the previous period such economy showed no signs of hyperinflation. This interpretation is not applicable to the Group.

IFRIC 10, Interim Financial Reporting and Impairment (applicable to the reporting periods beginning on or after 1 November 2006)

The interpretation concludes that the company shall not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The Group will apply this interpretation from 1 March 2008.

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods and which the group has decided not to adopt early. These are:

IFRS 8, Operating Segments (effective for accounting periods beginning on or after 1 January 2009);

IAS 23, Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009);

IFRIC 12, Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008);

IFRIC 13, Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008);

IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008);

Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, Consolidated and separate financial statements (both effective for accounting periods beginning on or after 1 July 2009); and

Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009)

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

3 Accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied unless otherwise stated.

3.1 *Basis of consolidation*

The financial information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries). The results of subsidiaries acquired or disposed of during the year period included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.2 *Segmental reporting*

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular environment

(geographic segment), which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length basis. Segment results included items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.3 ***Intangible fixed assets***

The Group applies the full-cost method of accounting under which all expenditure relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of directly attributable overheads, is capitalised within cost pools. Capitalised costs are amortised on a unit of production basis. The Board regularly reviews the carrying values of intangible assets and writes down capitalised expenditure to levels it considers to be prudent. Costs pools are determined on the basis of geographical principles. The Group currently has only one cost pool, being its exploration interests in Namibia.

Under the full cost based method of accounting, the Group capitalises exploration costs until it is capable of determining whether its exploration efforts were successful and, if they were successful, whether any impairment charges may be required to bring the net book values of assets in line with their economic values.

Unproven oil and gas properties, including oil and gas licences which are acquired by the Group and which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition.

3.4 ***Taxation***

Income tax expense represents the sum of the current tax and deferred tax charge for the period.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted and are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax balances are not discounted.

3.5 ***Foreign currencies***

For the purpose of the consolidated financial information, the results and financial position of each Group company are expressed in their functional currency and translated to US dollars, which is the functional currency of the Group. This is also the presentational currency for the consolidated financial information.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Exchange differences are taken to the income statement.

3.6 ***Property, plant and equipment and depreciation***

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The annual rate of depreciation for each class of depreciable asset is:

Fixtures, fittings and equipment	25 per cent.

The carrying value of tangible fixed assets is assessed annually and any impairment is charged to the income statement.

3.7 ***Leases***

Rent paid on operating leases is charged to the income statement on a straight line basis over the term of the lease.

3.8 ***Financial assets and liabilities***

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Trade and other receivables are subsequently measured at amortised cost.

Cash and cash equivalents comprise cash on hand and demand, deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables are measured at cost. Convertible loan notes are treated as described below.

3.9 ***Convertible loan notes***

In accordance with IAS 32, the Group has classified the convertible debt in issue as a compound financial instrument. Accordingly, the Group presents the liability and equity component separately on the balance sheet. The classification of the liability and equity component is not reversed as a result of a change in the likelihood that the conversion option will be exercised. No gain or loss arises from initially recognising the components of the instrument separately. Interest on the debt element of the loan is accreted over the term of the loan at the effective interest rate. In the event of conversion the

equity component relating to the conversion rights and the warrants issued will be transferred to share capital and share premium (for any amount over the nominal value of each share).

The fair value of the liability component on initial recognition is the present value of the stream of future cash flows (including both coupon payments and redemption) discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option. The applicable rate of interest is estimated at 20 per cent.

3.10 ***Impairment***

The carrying amounts of the Group's assets are reviewed at each balance sheet date and, if there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

Estimates on impairment are limited to an assessment by the Directors of any events or changes in circumstance that would indicate that the carrying value of the asset may not be recoverable.

Any impairment loss arising from the review is charged to the income statement whenever the carrying amount of the asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 Finance expense

	Period ended 29 February 2008 US$000
Accretion expense, calculated using effective interest rate method on convertible loan notes	26
Net interest	26

5 Employees

	Period ended 29 February 2008 US$000
Employment costs (excluding Directors)	
Wages and salaries	595
	595

The average monthly number of employees (excluding Directors) during the period was two.

Pension costs

The Group does not operate a pension plan for Directors or employees but does, at the Directors' and employees' option, contribute to the personal pension plans of each director and employee, up to a specified percentage of salary. The pension cost charge for employees (excluding directors) for the period amounted to £nil.

6 Segmental analysis

The Group is engaged in one business segment only, namely oil and gas exploration. Therefore no segment analysis of the business operation is required. The primary reporting format is geographical segments.

Following the acquisition of the Group's Namibian businesses the Group has one main geographic segment, in Namibia, with its own office and infrastructure and technology platform. In addition, the Group operates an office operation in Guernsey and the UK.

The segment results for the period ended 29 February 2008 are as follows:

	Namibia US$000	*Head Office US$000*	*Group US$000*
Segment result before allocation of central costs	(89)	(2,746)	(2,835)
Interest expense	–	(26)	(26)
Loss before and after taxation	(89)	(2,772)	(2,861)

The segment assets and liabilities at 29 February 2008 and capital expenditure for the period then ended are as follows:

	Namibia US$000	*Head Office US$000*	*Group US$000*
Segment assets	52,170	3,425	55,595
Segment liabilities	(1,599)	(8,262)	(9,861)
Segment net assets	50,571	(4,837)	45,734
Capital expenditure	2,690	–	2,690

7 Taxation

In the opinion of the Directors, the Company is tax resident in Guernsey, where corporate profits are taxed at zero per cent.

No taxation charge arises in Namibia as the Namibia subsidiary has recorded a taxable loss for the period.

8 Loss per share

The calculation of basic loss per ordinary share is based on a loss of US$2,861,000 and on 58,923,840 ordinary shares being the weighted average number of ordinary shares in issue during the period. There is no difference between the diluted loss per share and the basic loss per share presented as the Group reported a loss for the period.

9 Intangible assets

	Exploration and appraisal expenditure US$000
Cost	
Acquisition of Enigma (note 17)	47,024
Acquisition of licences for shares	2,189
Additions	2,690
At 29 February 2008	51,903
Net book value	
At 29 February 2008	51,903

10 Property, plant and equipment

	Fixtures, fittings and equipment US$000
Cost	
Acquisitions	156
At 29 February 2008	156
Depreciation	
Charge for the period	–
At 29 February 2008	–
Net book value	
At 29 February 2008	156

11 Trade and other receivables

	As at 29 February 2008 US$000
Sundry debtors	8

All above amounts are due within one year.

12 Trade and other payables

	As at 29 February 2008 US$000
Other creditors	126
Amounts due to related parties	3,052
Accruals	942
	4,120

Accruals principally comprise amounts outstanding for trade purchases, staff and ongoing costs. Amounts due to related parties are repayable on demand and are non-interest bearing.

13 Financial liabilities

	As at 29 February 2008 US$000
Convertible loan notes	3,552
Deferred consideration for acquisition of licences (note 9)	2,189
	5,741

The deferred consideration is to be settled in shares on Admission at the admission price.

	As at 29 February 2008 US$000
Proceeds from issue of convertible loan notes	5,400
Transaction costs	(681)
Net proceeds	4,719
Amount classified as equity	(1,193)
Accrued interest	26
Carrying amount of liability at 29 February 2008	3,552

On 13 February 2008, the Company issued unsecured convertible loan notes for total consideration of US$5.4m. The loan notes are non-interest bearing and are repayable in full on 13 August 2009. Upon Admission the loan notes convert into ordinary shares at 50 per cent. of the price per share at which new shares are subscribed for.

The fair value of the liability component of the transaction is the present value of cash flows relating to the carrying value of the notes as at the maturity date discounted at the prevailing market rate of 20 per cent.. The amount of the convertible notes classified as equity of US$1,193,000 is net of attributable transaction costs of US$681,000.

14 Share capital

	As at 29 February 2008 US$000
Authorised	
400,000,000 ordinary shares of US$0.02 (1p) each	2,984
Allotted, called up and fully paid	
100,000,000 ordinary shares of US$0.02 (1p) each	1,988

Details of the ordinary shares issued during the period are given in the table below:

Date	*Description*	*Price $*	*No. of shares*
2 November 2007	Placing of shares to provide working capital	0.02	26,117,326
21 December 2007	Placing of shares to provide working capital	0.02	3,000,000
7 January 2008	Acquisition of Enigma	0.76	52,234,653
7 January 2008	Conversion of loan notes	0.38	18,648,021
			100,000,000

Share based payments

On 13 February 2008, the Company issued warrants to BMO Capital Markets Limited as commission for fund raising services. The number of warrants will be determined by the number of shares that could be purchased at 50 per cent. of the listing price for £162,780. The warrants are exercisable up to 24 months from the date of Admission.

15 Reserves

	Share premium US$000	*Warrant reserve US$000*	*Other reserve US$000*	*Foreign exchange reserve US$000*	*Retained earnings US$000*
Loss for the period	–	–	–	–	(2,861)
Issue of share capital	45,506	–	–	–	–
Foreign exchange translation of foreign operations	–	–	–	(353)	–
Equity portion of convertible loan notes	–	–	1,193		–
Warrants issued as issue costs	–	343	(82)	–	–
At 29 February 2008	45,506	343	1,111	(353)	(2,861)

The following describes the nature and purpose of each reserve within owners' equity:

Share premium	Amount subscribed for share capital in excess of nominal value.
Warrant reserve	Fair value of warrants issued as issue costs for issue of convertible debt.
Other reserve	Amount of proceeds on issue of convertible debt relating to the equity component (i.e. option to convert the debt into share capital).
Foreign exchange reserve	Amounts arising on translating the net assets and results of overseas operations to US dollars.
Retained earnings	Cumulative net gains and losses recognised in the financial information.

16 Financial instruments

The Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below. Throughout the period ending 29 February 2008, no trading in financial instruments was undertaken.

There is no material difference between the book value and fair value of the Group's cash balances, short term receivables and payables and loan notes.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), and foreign exchange rates (currency risk).

Currency risk

The Group has potential currency exposures in respect of items denominated in foreign currencies comprising:

- Transactional exposure in respect of operating costs and capital expenditure incurred in currencies other than the functional currency of operations.

At the period end, the Group had cash balances of US$3,527,550 comprising the following currencies

	As at 29 February 2008 US$000
Sterling	3,528

Other than the above Sterling cash balance, no other financial instrument is denominated in a currency other than US dollars. A 10 per cent. increase or decrease in the sterling/dollar exchange rate would result in reported profits being $352,755 higher or lower respectively.

Capital

The Group considers its capital to comprise its ordinary share capital, share premium and retained earnings as well as the Equity portion of the convertible loan notes ("Other reserve").

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Capital and reserves attributable to shareholders	*As at 29 February 2008 US$000*
Share capital	1,988
Share premium	45,506
Other reserve	1,111
Warrant reserve	343
Foreign exchange reserve	(353)
Retained earnings	(2,861)
Total equity	45,734

As disclosed in note 13, there was a further issue of loan notes in the period which was used to fund future operational and strategic options. This resulted in a portion of the loan notes being classified as equity. There have been no other significant changes to the Group's capital management objectives, policies and processes in the period nor has there been any change in what the Group considers to be its capital.

Interest risk

The Group's fixed-rate loan note borrowings are not exposed to a risk of changes in interest rates. The Group's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk. The following table shows the period in which interest-bearing financial assets and liabilities re-price:

	Average interest rate				
	Contractual %	*Effective %*	*0-6 mths US$000*	*1-2 years US$000*	*Total US$000*
Assets					
Cash and cash equivalents	–	–	3,528	–	3,528
Liabilities					
Convertible loan notes	(0.00)	(20.00)	–-	(3,813)	(3,813)

Liquidity risk

The Group's practice is to review cash needs regularly and to place excess funds on fixed term deposits for periods not exceeding one month. The Company has sufficient funds to continue operations for the forthcoming year and has no perceived liquidity risk.

The loan notes issued to date (see note 13) are redeemable 18 months from date of issue (13 February 2008) and do not bear a fixed interest.

17 Acquisitions

On 7 January 2008, the Company acquired the entire share capital of Enigma Oil & Gas Exploration (Pty) Limited ("Enigma"), in consideration for which the Company allotted 52,234,653 Ordinary Shares.

Book and fair values of the net assets at date of acquisition, were as follows:

	Book values US$000	*Fair value adjustments US$000*	*Fair value to the Group US$000*
Non current assets			
Exploration and appraisal expenditure	6,395	40,629	47,024
Property, plant and equipment	156	–	156
	6,551	40,629	47,180
Current assets			
Trade and other receivables	3	–	3
Cash and cash equivalents	181	–	181
	184	–	184
Total assets	6,735	40,629	47,364
Liabilities			
Amounts due to related parties	(7,556)	–	(7,556)
Net assets/liabilities	(821)	40,629	39,808
Goodwill arising on acquisition			–
Discharged by:			
Fair value of shares issued			39,808

No identifiable goodwill has arisen in respect of this transaction. The surplus of value of the consideration over the other separable net assets and liabilities of the acquired group has been attributed to the oil and gas properties and represents their estimated fair value of as at the date of acquisition of 7 January 2008.

From the date of acquisition, Enigma has contributed a loss of US$89,000 to the Group results. Prior to the transaction, Enigma incurred a loss of US$597,000

18 Commitments

Commitments at the balance sheet date were as follows:

The Group has certain minimum work obligations under the terms of its petroleum licences. The cost of meeting these obligations is not specified in the licences.

19 Related party transactions

The Group has entered into various transactions in which ICM, Westward and Protech are interested. ICM, Protech and Westward own 25.4 per cent., 22.4 per cent. and 22.8 per cent. respectively of the issued Ordinary Shares prior to Admission. Norman Leighton, one of the Directors, is a director of ICM. Adonis Pouroulis, one of the Directors, is one of a number of potential beneficiaries of the trust that owns Westward and Robert Sinclair, one of the Directors, is a director of Westward. Protech is wholly owned by Heindrich Ndume, one of the Directors. The transactions entered into by the Group in which ICM, Protech or Westward have an interest are as follows:

19.1 Westward paid exploration costs on behalf of Enigma amounting to US$1.7 million. A further US$1.4 million was advanced to fund exploration costs from ICM. These balances remain outstanding, are non interest bearing and are to be repaid on Admission out of the proceeds of the Placing.

19.2 On 7 January 2008, the Company acquired the entire issued share capital of Enigma in consideration for which the Company allotted 52,234,653 Ordinary Shares. Prior to this transaction, Enigma was beneficially owned and controlled by, amongst others, Westward, Protech and ICM.

19.3 On 7 January 2008, the Company acquired the assets and assumed certain liabilities of Namquest. Namquest is controlled by ICM, Westward and Protech.

In addition, the Group has entered into the following related party transactions:

19.4 On 17 May 2007, Namquest issued convertible loan notes amounting to US$2 million to Sirius Resources Fund 1 Limited. The loan notes were subsequently novated to the Company as part of the assumption of certain liabilities of Namquest and on 7 January 2008 were converted into 5,328,005 Ordinary Shares in the Company.

19.5 J&K Property Investments Limited, a company owned as to 50 per cent. by James Burgess and of which he is a director provides services and facilities for the Group and receives a fee of approximately £40,000 per annum.

19.6 Pursuant to an agreement dated 1 October 2007, Artemis Trustees Limited, a company of which Mr Robert Sinclair is a director and ultimately a shareholder, was appointed by the Company to provide administration and company secretarial services. Fees are chargeable on a time spent basis, calculated by reference to the time, work type and skills involved in providing the services.

19.7 By deed of assignment dated 7 May 2008 the Company consented to the assignment by BMO to Sirius Investment Management LP Incorporated of Warrants exercisable over the number of Ordinary Shares calculated by dividing £44,556 by 50 per cent. of the Placing Price.

Section C – Accountant's report on Enigma

BDO Stoy Hayward LLP
Chartered Accountants

BDO Stoy Hayward LLP
55 Baker Street
London
W1U 7EU

The Directors
Chariot Oil & Gas Limited
Sydney Vane House
Admiral Park
St Peter Port
Guernsey

13 May 2008

KPMG Corporate Finance
a division of KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Dear Sirs

Enigma Oil & Gas Exploration (Pty) Limited ("Enigma")

Introduction

We report on the financial information on Enigma set out in Section D of Part 5. This financial information has been prepared for inclusion in the admission document dated 13 May 2008 of Chariot Oil & Gas Limited (the "Admission Document") on the basis of the accounting policies set out in note 3 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of Chariot Oil & Gas Limited (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent therein provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Enigma as at the date stated and of its losses, cash flows and recognised income and expense for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with IFRSs as described in note 3 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section D – Financial information on Enigma

Income statement

for the period from commencement of operations (August 2006) to 29 February 2008

	Notes	*Period ended 29 February 2008 US$000*
Administrative expenses		(686)
Loss from operations		(686)
Loss for the period before and after taxation	6	(686)

The loss for the period arose from continuing operations.

Statement of recognised income and expense

for the period from commencement of operations (August 2006) to 29 February 2008

	Period ended 29 February 2008 US$000
Loss for the financial period	(686)
Total recognised income and expense for the financial period attributable to: Equity shareholders	(686)

Balance sheet

at 29 February 2008

	Notes	As at 29 February 2008 $000
Assets		
Non-current assets		
Intangible assets	7	9,085
Property, plant and equipment	8	156
		9,241
Current assets		
Trade and other receivables	9	8
Cash and cash equivalents		102
		110
Total assets		9,351
Equity and liabilities		
Equity		
Share capital	12	–
Foreign exchange reserve	13	41
Retained earnings	13	(686)
Total equity		(645)
Liabilities		
Current liabilities		
Trade and other payables	10	2,617
Non-current liabilities		
Amounts due to parent company	11	7,379
Total liabilities		9,996
Total equity and liabilities		9,351

Cash flow statement

for the period from commencement of operations (August 2006) to 29 February 2008

	Period ended 29 February 2008 US$000
Operating activities	
Loss for the year before taxation	(686)
Net cash flow from operating activities before changes in working capital	(686)
Increase in trade and other receivables	(8)
Increase in trade and other payables	5
Net cash outflow from operating activities	(3)
Investing activities	
Expenditure in respect of property, plant and equipment	(156)
Expenditure in respect of intangible assets	(9,085)
Net cash outflow from investing activities	(9,241)
Financing activities	
Amounts advanced by related parties	2,611
Amounts advanced by parent company	7,379
Net cash inflow from financing activities	9,996
Net increase in cash and cash equivalents in the period	66
Cash and cash equivalents at start of period	–
Effect of foreign exchange rate changes on cash and cash equivalents	37
Cash and cash equivalents at end of period	103

Notes to the financial information

For the period ended 29 February 2008

1 Incorporation

Enigma was incorporated in Namibia on 20 October 2003 and commenced operations in August 2006.

2 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRSs").

The financial information is also prepared in accordance with the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" and has been prepared in accordance with its provisions.

In common with many exploration companies, Enigma raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required.

Going concern

The Directors are of the opinion that Enigma has adequate financial resources to enable it to undertake its planned programme of exploration and appraisal activities over the forthcoming twelve months.

Standards, interpretations and amendments to published standards effective in 2007 but which are not relevant to Enigma

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but are currently not relevant to Enigma's operations:

IAS 19 (Amendment), Actuarial Gains and Losses, Group Plans and Disclosures (applicable from 1 January 2006)

This amendment introduces the right to use alternative recognition of actuarial gains and losses. It may prescribe additional recognition requirements concerning employee benefit schemes adopted by the employers' group and lacking information sufficient for application of the particular employee benefit accounting method. It also demands implementation of additional recognition requirements. This amendment is not applicable to Enigma since Enigma has no definite employee benefits schemes.

IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006)

This amendment requires to initially recognise financial guarantees issued, except those previously declared by Enigma as insurance contracts initially at their fair value, and thereafter to assess at the greater of: (a) unamortised balance of payments received and deferred, and (b) expenses required for repayment of liabilities at the balance sheet date. The Directors have considered this amendment to IAS 39 and come to a conclusion of its inapplicability to Enigma.

IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006)

The interpretation is not applicable to Enigma's activities.

IFRIC 6, Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (effective from 1 December 2005)

The interpretation is not applicable to Enigma's activities.

2 Basis of preparation (continued)

IFRIC 7, Application of restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies (applicable to the reporting periods beginning on or after 1 March 2006)

This interpretation provides guidance for implementation of IAS 29 requirements during the reporting periods where a company determines hyperinflation in the economy of its functional currency if in the previous period such economy showed no signs of hyperinflation. This interpretation is not applicable to Enigma.

IFRIC 10, Interim Financial Reporting and Impairment (applicable to the reporting periods beginning on or after 1 November 2006)

The interpretation concludes that the company shall not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. Enigma will apply this interpretation from 1 March 2008.

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods and which the group has decided not to adopt early. These are:

IFRS 8, Operating Segments (effective for accounting periods beginning on or after 1 January 2009);

IAS 23, Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009);

IFRIC 12, Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008);

IFRIC 13, Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008);

IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008);

Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, Consolidated and separate financial statements (both effective for accounting periods beginning on or after 1 July 2009); and

Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009).

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of Enigma.

3 Accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied unless otherwise stated.

3.1 ***Segmental reporting***

A segment is a distinguishable component of Enigma that is engaged either in providing products or services (business segment), or in providing products or services within a particular environment (geographic segment), which is subject to risks and rewards that are different from those of other segments.

3 Accounting policies (continued)

Inter-segment pricing is determined on an arm's length basis. Segment results included items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.2 ***Intangible fixed assets***

Enigma applies the full-cost method of accounting under which all expenditure relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of directly attributable overheads, is capitalised within cost pools. Capitalised costs are amortised on a unit of production basis. The Board regularly reviews the carrying values of intangible assets and writes down capitalised expenditure to levels it considers to be prudent. Costs pools are determined on the basis of geographical principles. Enigma currently has only one cost pool, being its exploration interests in Namibia.

Under the full cost based method of accounting, the company capitalises exploration costs until it is capable of determining whether its exploration efforts were successful and, if they were successful, whether any impairment charges may be required to bring the net book values of assets in line with their economic values.

Unproven oil and gas properties, including oil and gas licences which are acquired by Enigma and which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition.

3.3 ***Taxation***

Income tax expense represents the sum of the current tax and deferred tax charge for the period.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Enigma's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted and are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Enigma intends to settle its current tax assets and liabilities on a net basis.

Deferred tax balances are not discounted.

3 Accounting policies (continued)

3.4 ***Foreign currencies***

For the purpose of this financial information, the results and financial position are expressed in the functional currency being the Namibian Dollar and translated to US Dollars, which is the presentational currency of Enigma.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Exchange differences are taken to the income statement.

3.5 ***Property, plant and equipment and depreciation***

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The annual rate of depreciation for each class of depreciable asset is:

Fixtures, fittings and equipment 25 per cent.

The carrying value of tangible fixed assets is assessed annually and any impairment is charged to the income statement.

3.6 ***Leases***

Rent paid on operating leases is charged to the income statement on a straight line basis over the term of the lease.

3.7 ***Financial assets and liabilities***

Financial assets and financial liabilities are recognised on the Group's balance sheet when Enigma becomes a party to the contractual provisions of the instrument.

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Trade and other receivables are subsequently measured at amortised cost.

Cash and cash equivalents comprise cash on hand and demand, deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments issued by Enigma are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of Enigma after deducting all its liabilities. Equity instruments issued by Enigma are recorded at the proceeds received, net of direct issue costs.

Trade and other payables are measured at cost. Convertible loan notes are treated as described below.

3 Accounting policies (continued)

3.8 ***Impairment***

The carrying amounts of Enigma's assets are reviewed at each balance sheet date and, if there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

Estimates on impairment are limited to an assessment by the Directors of any events or changes in circumstance that would indicate that the carrying value of the asset may not be recoverable.

Any impairment loss arising from the review is charged to the income statement whenever the carrying amount of the asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 Employees

	Period ended 29 February 2008 US$000
Employment costs (excluding directors)	
Wages and salaries	100
	100

The average monthly number of employees (excluding directors) during the period was two.

Pension costs

Enigma does not operate a pension plan for directors or employees but does, at the directors' and employees' option, contribute to the personal pension plans of each director and employee, up to a specified percentage of salary. The pension cost charge for employees (excluding directors) for the period amounted to £nil.

5 Segmental analysis

Enigma is engaged in one business segment only, namely oil and gas exploration. Therefore no segment analysis of the business operation is required. The primary reporting format is geographical segments.

6 Taxation

	US$000
Loss before taxation	(686)
Tax using rate of 35 per cent.	(240)
Tax losses carried forward	240
Tax charge for the period	–

Enigma has a potential deferred tax asset of $0.2 million on tax losses of $0.7 million carried forward. This amount has not been recognised in the financial information as the recovery is dependent on future profitability, the timing and certainty of which cannot be reasonably foreseen.

7 Intangible assets

	Exploration and appraisal expenditure US$000
Cost	
Additions and at 29 February 2008	9,085
Net book value	
At 29 February 2008	9,085

8 Property, plant and equipment

	Fixtures, fittings and equipment US$000
Cost	
Additions and at 29 February 2008	156
Depreciation	
Charge for the period	–
At 29 February 2008	–
Net book value	
At 29 February 2008	156

9 Trade and other receivables

	As at 29 February 2008 US$000
Sundry debtors	8

All above amounts are due within one year.

10 Trade and other payables

	As at 29 February 2008 US$000
Other creditors	6
Amounts due to related parties	2,611
	2,617

Accruals principally comprise amounts outstanding for trade purchases, staff and ongoing costs. Amounts due to related parties are repayable on demand and are non-interest bearing.

11 Financial liabilities

	As at 29 February 2008 US$000
Amounts payable to parent company	7,379

12 Share capital

	As at 29 February 2008 US$000
Authorised	
4,000 ordinary shares of NAD 1 each	4
Allotted, called up and fully paid	
100 ordinary shares of NAD 1 each	–

13 Reserves

	Foreign exchange reserve US$000	*Retained earnings US$000*
Loss for the period	–	(686)
Foreign exchange translation of foreign operations	41	–
At 29 February 2008	41	(686)

The following describes the nature and purpose of each reserve within owners' equity:

Retained earnings	Cumulative net gains and losses recognised in the financial information.
Foreign exchange reserve	Amounts arising on translating the net assets and results of overseas operations to US dollars.

14 Financial instruments

The Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below. Throughout the period ending 29 February 2008, no trading in financial instruments was undertaken.

There is no material difference between the book value and fair value of Enigma's cash balances, short term receivables and payables.

Market risk

Market risk arises from Enigma's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), and foreign exchange rates (currency risk).

Currency risk

Enigma has potential currency exposures in respect of items denominated in foreign currencies comprising:

- Transactional exposure in respect of operating costs and capital expenditure incurred in currencies other than the functional currency of operations.

At the period end, Enigma had cash balances of $102,000 comprising the following currencies

	As at 29 February 2008 $000
Namibian Dollars (NAD)	102

Other than the above Namibian Dollar cash balance no other financial instrument is denominated in a currency other than US Dollars. A 10 per cent. increase or decrease in the US Dollar / Namibian Dollar exchange rate would result in reported profits being $10,200 higher or lower respectively.

14 Financial instruments (continued)

Capital

Enigma considers its capital to comprise its ordinary share capital and retained earnings.

In managing its capital, Enigma's primary objective is to maintain a sufficient funding base to enable Enigma to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, Enigma considers not only its short-term position but also its long-term operational and strategic objectives.

Capital and reserves attributable to shareholders

	US$000
Share capital	–
Foreign exchange reserve	41
Retained earnings	(686)
Total equity	(645)

Interest risk

Enigma's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk. The following table shows the period in which interest-bearing financial assets and liabilities re-price:

	Average interest rate			
	Contractual	*Effective*	*0-6 mths*	*Total*
	%	*%*	*US$000*	*US$000*
Assets				
Cash and cash equivalents	–	–	102	102

Liquidity risk

Enigma's practice is to review cash needs regularly and to place excess funds on fixed term deposits for periods not exceeding one month. Enigma, with the support of its parent company, has sufficient funds to continue operations for the forthcoming year and has no perceived liquidity risk.

15 Commitments

Commitments at the balance sheet date were as follows:

Enigma has certain minimum work obligations under the terms of its petroleum licences. The cost of meeting those obligations is not specified in the licences.

16 Related party transactions

The Group has entered into various transactions in which International Consultancy & Marketing SA ("ICM"), Westward Investments Limited ("Westward") and Protech Namibia (Pty) Limited ("Protech") are interested. ICM, Protech and Westward own 25.4 per cent., 22.4 per cent. and 22.8 per cent. respectively of the issued Ordinary Shares prior to Admission. Norman Leighton, one of the Directors, is a director of ICM. Adonis Pouroulis, one of the Directors, is one of a number of potential beneficiaries of the trust that owns Westward and Robert Sinclair, one of the Directors, is a director of Westward. Protech is wholly owned by Heindrich Ndume, one of the Directors. The transactions entered into by the Group in which ICM, Protech or Westward have an interest are as follows:

16.1 Westward paid exploration costs on behalf of Enigma amounting to US$1.7 million. A further US$1.4 million was advanced to fund exploration costs from ICM. These balances remain outstanding, are non interest bearing and are to be repaid on Admission out of the proceeds of the Placing.

16.2 On 7 January 2008, the Company acquired the entire issued share capital of Enigma in consideration for which the Company allotted 52,234,653 Ordinary Shares. Prior to this transaction, Enigma was beneficially owned and controlled by, amongst others, Westward, Protech and ICM.

16.3 On 7 January 2008, the Company acquired the assets and assumed certain liabilities of Namquest. Namquest is controlled by ICM, Westward and Protech.

In addition, the Group has entered into the following related party transactions:

16.4 On 17 May 2007, Namquest issued convertible loan notes amounting to US$2 million to Sirius Resources Fund 1 Limited. The loan notes were subsequently novated to the Company as part of the assumption of certain liabilities of Namquest and on 7 January 2008 were converted into 5,328,005 Ordinary Shares in the Company.

16.5 J&K Property Investments Limited, a company owned as to 50 per cent. by James Burgess and of which he is a director provides services and facilities for the Group and receives a fee of approximately £40,000 per annum.

16.6 Pursuant to an agreement dated 7 May 2008, Artemis Trustees Limited, a company of which Mr Robert Sinclair is a director and ultimately a shareholder, was appointed by the Company to provide administration and company secretarial services. Fees are chargeable on a time spent basis, calculated by reference to the time, work type and skills involved in providing the services.

16.7 By deed of assignment dated 7 May 2008 the Company consented to the assignment by BMO to Sirius Investment Management LP Incorporated of Warrants exercisable over the number of Ordinary Shares calculated by dividing £44,556 by 50 per cent. of the Placing Price.

Section E – Accountant's report on Greendale

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13 May 2008

KPMG Corporate Finance
a division of KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Dear Sirs

Greendale Universal Holdings Limited ("Greendale")

Introduction

We report on the financial information on Greendale set out in Section F of Part 5 of this document. This financial information has been prepared for inclusion in the admission document dated 13 May 2008 of Chariot Oil & Gas Limited (the "Admission Document") on the basis of the accounting policies set out in note 3 to the financial information on Greendale. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of Chariot Oil & Gas Limited (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Greendale as at the dates stated and of its losses, cash flows and recognised income and expense for the periods then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with IFRSs as described in note 3 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

Section F – Financial information on Greendale

Income statement

	Period from incorporation to 31 December 2005 US$000	*Year ended 31 December 2006 US$000*	*Period ended 29 February 2008 US$000*
Administrative expenses	(2)	–	2
(Loss)/profit for the period before and after taxation	(2)	–	2

All amounts relate to continuing activities.

Statement of recognised income and expense

	Period from incorporation to 31 December 2005 US$000	*Year ended 31 December 2006 US$000*	*Period ended 29 February 2008 US$000*
(Loss)/profit for the financial period	(2)	–	2
Total recognised income and expense for the financial period attributable to:			
Equity shareholders	(2)	–	2

Balance sheet

	Notes	*As at 31 December 2005 US$000*	*As at 31 December 2006 US$000*	*As at 29 February 2008 US$000*
Non-current assets				
Intangible assets	5	226	2,189	–
Total assets		226	2,189	–
Equity and liabilities				
Share capital	6	–	–	–
Retained earnings		(2)	(2)	–
		(2)	(2)	–
Current liabilities				
Amounts due to Group entities	7	(224)	(2,187)	–
		(224)	(2,187)	–
Total equity and liabilities		(226)	(2,189)	–

Cash flow statements

	Period from incorporation to 31 December 2005 US$000	*Year ended 31 December 2006 US$000*	*Period ended 29 February 2008 US$000*
Cash outflows from operating activities			
Operating (loss)/profit	(2)	–	2
Investing activities			
Deferred exploration expenditure	(224)	(1,963)	(1,475)
Net cash outflows from investing activities	(224)	(1,963)	(1,475)
Financing activities			
Advances from Group entities	226	1,963	1,473
Net cash inflows from financing activities	226	1,963	1,473
Increase in cash and cash equivalents	–	–	–
Cash and cash equivalents at the start of the period	–	–	–
Cash and cash equivalents at the end of the period	–	–	–

Notes to the financial information

1 Incorporation

Greendale was incorporated in the British Virgin Islands on 26 April 2004.

2 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRSs").

Standards, interpretations and amendments to the published standards effective from 2006 but which are not relevant to Greendale

The following standards, amendments and interpretations of the standards published are obligatory for those reporting periods began on or before 1 January 2006, but are currently not applicable to Greendale's activities:

IFRIC 4, Determining whether an Arrangement Contains a Lease (applicable from 1 January 2006)

The Interpretation demands the determination based on the essence of the transaction in question of whether an arrangement is, or contains, a lease. The Amendment demands the determination of: (a) whether the transaction performance depends on the use of specific asset or assets (hereinafter "asset"); and (b) whether the transaction implies the right to use such asset. The Directors have assessed the impact of the Interpretation on Greendale's activities through consideration of all existing transactions. It has been stated that the Interpretation adoption had no influence both on the Greendale's performance and net assets.

IAS 39 (Amendment), Fair Value Option (applicable from 1 January 2006)

This amendment changes the definition of financial instruments recognised at fair value through profit and loss and restricts the possibility to characterise financial instruments through that category. The Directors believe that this amendment should not significantly affect the financial instruments classification.

IAS 21 (Amendment), Net Investment in a Foreign Operation (applicable from 1 January 2006)

According to this amendment any exchange difference arising upon monetary item being a part of net investment of the reporting entity in a foreign operation shall be initially recognised in the consolidated financial statements through a separate item of the company's share capital. In particular it relates to the monetary items denominated in the currency that is neither a functional currency of the reporting entity nor of its foreign operation. This requirement shall apply irrespective of the monetary item's currency or of whether such item is a result of transaction with the reporting entity or with any of its subsidiaries.

IAS 19 (Amendment), Actuarial Gains and Losses, Group Plans and Disclosures (applicable from 1January 2006)

This amendment introduces the right to use alternative recognition of actuarial gains and losses. It may prescribe additional recognition requirements concerning employee benefit schemes adopted by the employers' group and lacking information sufficient for application of the particular employee benefit accounting method. It also demands implementation of additional recognition requirements. This amendment is not applicable to Greendale since as at 31 December 2005, 31 December 2006 and 29 February 2008 Greendale had no definite employee benefits schemes.

IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006)

This amendment requires a company to initially recognise financial guarantees issued, except those previously declared by Greendale as insurance contracts initially at their fair value, and thereafter to assess at the greater of: (a) unamortised balance of payments received and deferred, and (b) expenses required for repayment of liabilities at the balance sheet date. The management has considered this amendment to IAS 39 and come to a conclusion of its inapplicability to Greendale.

2 Basis of preparation (continued)

IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006)

The interpretation is not applicable to Greendale's activities.

IFRIC 6. Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (effective from 1 December 2005)

The interpretation is not applicable to Greendale's activities.

IFRIC 7, Application of restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies (applicable to the reporting periods beginning on or after 1 March 2006).

This interpretation provides guidance for implementation of IAS 29 requirements during the reporting periods where the company determines hyperinflation in the economy of its functional currency if in the previous period such economy showed no signs of hyperinflation. This interpretation is not applicable to Greendale.

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for Greendale's accounting periods beginning on or after 1 January 2008 or later periods and which Greendale has decided not to adopt early. These are:

- IFRS 8, Operating Segments (effective from 1 January 2009);
- IAS 23, Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009);
- IFRIC 12, Service Concession Arrangements (applicable to the reporting periods beginning on or after 1 January 2008);
- IFRIC 13, Customer Loyalty Programs (applicable to the reporting periods beginning on or after 1 July 2008);
- IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements. (applicable to the reporting periods beginning on or after 1 January 2008);
- Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, Consolidated and separate financial statements (both effective for accounting periods beginning on or after 1 July 2009); and
- Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations (effective for accounting periods beginning on or after 1 January 2009).

3 Accounting policies

The principal accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied unless otherwise stated.

3.1 ***Foreign currency***

The currency of the primary economic environment in which Greendale operates is the US Dollar.

All assets and liabilities are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results at the actual rate are recognised directly in equity.

3 Accounting policies (continued)

3.2 *Taxation*

Income tax expense represents the sum of the current tax and deferred tax charge for the period.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Greendale's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted and are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Greendale intends to settle its current tax assets and liabilities on a net basis.

Deferred tax balances are not discounted.

3.3 *Intangible fixed assets*

Greendale applies the full-cost method of accounting under which all expenditure relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of directly attributable overheads, is capitalised within cost pools. Capitalised costs are amortised on a unit of production basis. The Board regularly reviews the carrying values of intangible assets and writes down capitalised expenditure to levels it considers to be prudent. Costs pools are determined on the basis of geographical principles.

Under the full cost based method of accounting, the company capitalises exploration costs until it is capable of determining whether its exploration efforts were successful and, if they were successful, whether any impairment charges may be required to bring the net book values of assets in line with their economic values.

Unproven mining properties, including mineral licences which are acquired by Greendale and which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition.

3.4 *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents are defined as short-term cash deposits.

3 Accounting policies (continued)

3.5 ***Financial risk management***

Operations are exposed to a number of financial risks: market risk (including currency risk, risk of interest rate changes' influence on fair value), credit risk and liquidity risk.

- *Currency risk*

  Foreign exchange rate risk arises from future business transactions, recognised assets and liabilities.

- *Credit risk*

  There are no third party debts therefore operations not exposed to material credit risk.

- *Liquidity risk*

  Prudent liquidity risk management assumes maintenance of sufficient cash volume and availability of funding through an adequate amount of committed credit facilities and the ability of responsive management in case of any imbalance.

3.6. ***Cash flow statement***

The cash flow statement is prepared using the direct method.

4 Segmental analysis

Greendale operates in one business segment, being the exploration for oil in Namibia.

5 Intangible assets

	Exploration and production assets US$000
At incorporation	–
Additions	226
As at 31 December 2005	226
Additions	1,963
Balance as at 31 December 2006	2,189
Additions	1,473
Transfer to related entity	(3,662)
Balance as at 29 February 2008	–
Net book value	
As at 31 December 2005	226
As at 31 December 2006	2,189
As at 29 February 2008	–

6 Share capital

	As at 31 December 2005 US$000	*As at 31 December 2006 US$000*	*As at 29 February 2008 US$000*
Share capital	–	–	–

Share capital comprises 1 share with a nominal value of $1.

7 Short term financial liabilities

	As at 31 December 2005 US$000	*As at 31 December 2006 US$000*	*As at 29 February 2008 US$000*
Amounts advanced by related entities	224	2,187	–

Short term loans are interest free and repayable on demand.

8. Major non cash transactions

On 24 May 2007, the entire share capital of Greendale was acquired by Namquest Oil & Gas Plc for £100 and the assumption of the related party debt which, at this date, stood at US$2,189,000. The assets and liabilities of Namquest Oil & Gas Plc were subsequently transferred to Chariot Oil & Gas Limited.

On 26 September 2007, Greendale applied for the transfer of the petroleum exploration licences it held to Enigma Oil & Gas Exploration (Pty) Limited, a company under common control, and the corresponding liability was assumed by Chariot Oil & Gas Limited, Greendale's ultimate parent undertaking. Since this date, Greendale has not traded. The transfer was formally approved by the Namibian Minister for Mines and Energy on or around 16 April 2008.

PART 6

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited *pro-forma* statement of net assets of the Group (the "pro forma financial information") is based on the consolidated net assets of the Group as at 29 February 2008, set out in the audited consolidated financial information on the Group for the period ended on that date, and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Transaction was completed on 29 February 2008.

The *pro forma* financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The *pro forma* financial information has been prepared under International Financial Reporting Standards as adopted by the European Union and on the basis set out in the notes set out below. The *pro-forma* financial information is stated on the basis of the accounting policies adopted in the last consolidated financial statements of the Group.

		Adjustments					
	The Group as at 29 February 2008 (note 1)	*Pre-placing issue of convertible loan notes (note 2)*	*Net Placing proceeds (note 3)*	*Conversion of Loan Notes (note 4)*	*Repayment of deferred consideration (note 5)*	*Repayment of Enigma liabilities (note 6)*	*Pro forma net assets of the Group*
	US$000	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*
Non-current assets							
Intangible assets	51,903	–	–	–	–	–	51,903
Property, plant and equipment	156	–	–	–	–	–	156
	52,059	–	–	–	–	–	52,059
Current assets							
Trade and other receivables	8	–	–	–	–	–	8
Cash and cash equivalents	3,528	2,000	79,260	–	–	(3,054)	81,734
	3,536	2,000	79,260	–	–	(3,054)	81,742
Total assets	55,595	2,000	79,260	–	–	(3,054)	133,801
Liabilities							
Current liabilities							
Trade and other payables	(4,120)	–	–	–	–	3,054	(1,066)
Non-current liabilities							
Financial liabilities	(5,741)	(2,000)	–	5,552	2,189	–	–
Total liabilities	(9,861)	(2,000)	–	5,552	2,189	3,054	(1,066)
Net assets	45,734	–	79,260	5,552	2,189	–	132,735

Notes:

1. The net assets of the Group at 29 February 2008 have been extracted without material adjustment from the financial information on the Group for the period ended 29 February 2008 set out in Section B of Part 5 of this document.

Adjustments:

2. The Group has raised US$2 million through a pre-placing issue of convertible loan notes it has been assumed that there is no equity element relating to these loan notes. These loan notes will be converted into Ordinary Shares following the Placing (see note 4).

3. The Placing is estimated to raise net proceeds of US$79.26 million (US$88.02 million gross proceeds less estimated expenses of US$8.76 million).

4. Following the Placing, all loan notes issued by the Company, being US$5.4 million at 29 February 2008 and a further US$2 million issued as part of the pre-placing fundraising (see note 2), will be converted into Ordinary Shares. The debt element of the Loan Notes is US$5.6 million and will be eliminated on conversion, as shown in the table above.

5. Deferred consideration of US$2.2 million from the acquisition of Enigma will be settled in shares following the Placing.

6. Liabilities of US$3.1 million assumed by the Group following the acquisition of Enigma will be repaid in cash using part of the proceeds from the Placing.

7. No account has been taken of the financial performance of the Group since 29 February 2008 nor of any other event save as disclosed above.

8. Pounds sterling amounts have been converted into US dollar amounts at a rate of exchange of £0.511 : US $1.

PART 7

ADDITIONAL INFORMATION

1. The Company

1.1 The Company is incorporated under the name Chariot Oil & Gas Limited.

1.2 The Company is domiciled in Guernsey and was incorporated and registered in Guernsey on 13 August 2007 with the name Namquest Holdings Limited and registered number 47532. The Company changed its name by special resolution on 16 November 2007 to Chariot Oil & Gas Limited. The liability of Shareholders is limited.

1.3 The Company is governed by and its securities were created under the Act.

1.4 The Company's registered office is located at Sydney Vane House, Admiral Park, St. Peter Port, Guernsey, Channel Islands, GY1 2HU. The telephone number of the Company's registered address is 01481 729466.

1.5 The Company has no administrative, management or supervisory bodies other than the Board of Directors, the audit committee, the remuneration committee and the nomination committee; all of whose members are Directors.

1.6 The Company's auditors during the period covered by the historical financial information were BDO Stoy Hayward LLP, who are a member firm of the Institute of Chartered Accountants in England and Wales.

2. Securities being offered/admitted

2.1 The Ordinary Shares are ordinary shares of 1p each in the capital of the Company and are denominated in British Pounds Sterling.

2.2 The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling title to securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Anson Registrars Limited are responsible for the upkeep and maintenance of the Company's register of members.

2.3 The Directors were authorised to allot and issue the Placing Shares pursuant to an ordinary and a special resolution passed on 8 April 2008.

2.4 By ordinary and special resolution dated 8 April 2008 the Directors were authorised to allot Ordinary Shares in the following circumstances: if a *pro-rata* offer is made to Shareholders, on conversion of any loan notes or warrant deeds issued by the Company prior to Admission, in connection with the existing obligations to Onslow, in respect of up to 20 per cent. of the Enlarged Share Capital for a non-cash consideration and up to 10 per cent. of the Enlarged Share Capital for cash following Admission. In addition, the Directors can grant options exercisable over up to 10 per cent. of the issued share capital of the Company from time to time.

2.5 It is anticipated the Placing Shares will be issued and allotted on 19 May 2008, being the date of Admission.

2.6 The Ordinary Shares are freely transferable provided that such Ordinary Shares are fully paid, the Company has no lien over such Ordinary Shares, the instrument of transfer is duly stamped, is in favour of not more than four joint transferees and is in respect of only one class of Ordinary Shares.

2.7 No person has made a public takeover bid for the Company's issued share capital in the financial period to 28 February 2008 or in the current financial period.

2.8 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital; further details of which are set out in paragraph 7.10 below.

2.9 Each Ordinary Share is entitled on a *pari passu* basis with all other Ordinary Shares to share in any surplus on a liquidation of the Company.

2.10 The Ordinary Shares have no redemption or conversion provisions.

3. Share capital of the Company

3.1 The authorised and issued share capital of the Company as at 29 February 2008 (and the date hereof) is as follows:

Authorised share capital			*Issued and fully paid up share capital*	
£	*Number*		*£*	*Number*
4,000,000	400,000,000	Ordinary Shares	1,000,000	100,000,000

3.2 The authorised and issued share capital following the Placing and Admission, conversion of the Loan Notes and the issue of Ordinary Shares to Onslow will be as follows:

Authorised share capital			*Issued and fully paid up Enlarged Share Capital*	
£	*Number*		*£*	*Number*
4,000,000	400,000,000	Ordinary Shares	1,411,735	141,173,471

3.3 The Placing will result in the allotment and issue of 34,615,000 Ordinary Shares, diluting existing holders of Ordinary Shares by 24.5 per cent. (taking into account the allotment of Ordinary Shares pursuant to the arrangements referred to at paragraph 11.5 and paragraph 11.11 of this Part 7).

3.4 The par value of each Ordinary Share is 1p.

3.5 The Company has no issued shares that are not fully paid up.

3.6 The Company was incorporated with an authorised share capital of £10,000 divided into 10,000 Ordinary Shares of £1.00 each of which two shares were nil paid to the subscribers to the Memorandum since when the following allotments have taken place.

(a) On 1 November 2007, the authorised share capital of the Company was increased to £4,000,000 divided into 400,000,000 shares of 1p each.

(b) On 2 November 2007, 26,117,326 Ordinary Shares were issued at par:

Shareholder	*No. of Ordinary Shares*
ICM	9,141,064
Protech	8,357,544
Westward	8,618,518

(c) On 21 December 2007, 3,000,000 Ordinary Shares were issued at par:

Shareholder	*No. of Ordinary Shares*
James Everett Burgess	2,250,000
William Peter Kidney	500,000
Brian Michael Moritz	250,000

(d) On 7 January 2008, 52,234,653 Ordinary Shares were issued to the shareholders of Enigma pursuant to the agreement summarised in paragraph 11.8 of this Part 7 of the document as follows:

Shareholder	*No. of Ordinary Shares*	*Price per Ordinary Share*
Credit Suisse Client Nominees (UK) Limited	5,223,465	38.28p
ICM	16,654,628	38.28p
Protech	14,440,759	38.28p
Westward	15,915,801	38.28p

(e) On 21 January 2008, 5,328,005 Ordinary Shares were issued on conversion of loan notes to Sirius pursuant to the terms of the arrangements referred to at paragraphs 11.3 and 11.4 below.

(f) On 5 February 2008, 13,320,016 Ordinary Shares were issued on conversion of loan notes to Al Rajhi Holdings Limited pursuant to the terms of the arrangement referred to at paragraphs 11.3 and 11.4 below.

3.7 Pursuant to the existing obligations of the Company it will be obliged, on Admission, to allot and issue 5,712,317 Ordinary Shares pursuant to the terms of the Loan Notes and 846,154 Ordinary Shares pursuant to the terms of the arrangement with Onslow referred to at paragraph 11.5 of this Part 7.

3.8 Save as disclosed in paragraphs 3, 4 and 11 of this Part 7 of this document:

(a) no share or loan capital of the Company has been issued or is proposed to be issued;

(b) there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

(c) there are no shares in the Company not representing capital;

(d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;

(e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;

(f) no person has any preferential or subscription rights for any share capital of the Company; and

(g) no share or loan capital of the Company or any member of the Group is under option or agreed conditionally or unconditionally to be put under option.

4. Terms of the Plans

The Board adopted two Plans on 8 April 2008 to allow individuals to be granted the right to acquire Ordinary Shares in the Company. The two sets of rules under the Plans are identical except as indicated in the following summary of the principal terms. Details of the options ("Plan Options") granted or to be granted under the Plans either before or on Admission are set out at the end of this paragraph four. It is proposed that the powers of the Board will be operated through and on the recommendation of the remuneration committee.

Eligibility and grant of Plan Options

The Board may select and grant the Plan Options to any employee of the Group under the Company's Part A Plan and to any Director, officer or employee of the Group or consultants and contractors (excluding any independent parties such as lawyers, accountants and other competent persons) providing services to the Group under the Company's Part B Plan. Plan Options may be granted by the Board at any time during 42 days beginning with the fourth dealing day following an interim or final results announcement or 42 days from adoption of the Plans when there are no restrictions on dealing in the Ordinary Shares imposed by law, any regulation or other applicable guidelines. Grants are also permitted at other times in exceptional circumstances. The grant of the Plan Options will be conditional upon the relevant option holder agreeing to indemnify the Group for the cost of any tax, duties, social security contributions and national insurance liabilities.

Option price

The price payable on the exercise of the options granted under the Plans will be determined by the Board. This price will not be less than the market value of Ordinary Shares at the date of grant normally calculated using the volume weighted average price for the 20 preceding dealing days and not less than the nominal value. Any Plan Options granted before Admission will have an option price of 38.5p per Ordinary Share and Plan Options granted on Admission will have an option price equal to the Placing Price.

Exercise and lapse of Plan Options and performance condition

The Board will determine (on the grant of relevant options) the exercise period or periods of Plan Options and any appropriate performance condition. Performance conditions may, however, be varied or waived by the Board if it reasonably considers events have affected the viability of the performance conditions so long as the new performance conditions are no more onerous and all relevant option holders are given notice of the variation as soon as practicable. Exercise will not normally be permitted before the second anniversary or after the tenth anniversary of grant subject to certain exemptions. For Plan Options granted before Admission, exercise will not, subject to certain specified exemptions, be permitted before the second anniversary of Admission or after the tenth anniversary of the grant.

Plan Options lapse immediately if an option holder ceases to be an eligible participant for cause or resignation (unless the Board exercises its discretion to decide otherwise).

Plan Options are exercisable (subject to the performance conditions unless waived or varied) following a change of control of the Company, a trade sale, a merger, demerger, or on commencement of a winding up, compromise or arrangement and will thereafter lapse.

Plan Options are personal and will lapse on assignment or other transfer by the option holder, except to a personal representative.

Limits

The maximum number of Ordinary Shares to be made available under the Plans by the Company shall not exceed ten per cent. of the Company's Ordinary Share capital in issue from time to time when added to any other options granted under all group employee share schemes and similar individual share option agreements. Options that have lapsed are excluded.

Variation of share capital

On an alteration of the ordinary share capital of the Company by capitalisation or rights issue, consolidation, sub-division or reduction or other alteration the number of shares subject to option or the option price may be adjusted by the Board in such manner as the auditors or other valuers confirm to be fair and reasonable. If applicable, the Board shall give notice in writing thereof to each applicable option holder as soon as is reasonably practicable.

Voting, dividend and other rights

On exercise, Ordinary Shares issued are ranked *pari passu* but, until then, option holders have no voting or dividend rights. The rights under the Plan Options are not pensionable.

Amendments

The Board may alter the rules to the Plans with the approval of the Company in general meeting provided no alteration shall adversely affect the rights of the option holder (without his or her prior written consent) unless such alteration is necessary to comply with or to take account of any applicable legislation or statutory regulations or any change therein or to obtain or maintain favourable taxation treatment for the Company or the option holders or potential option holders. Minor amendments may be made by the Board without such approval or agreement.

The following Plan Options were granted, conditional on requisite loan note holder consent (such consent being granted on 25 April 2008), on 27 March 2008:

Name	*Number of shares under option*	*Option price*	*Exercise periods*	*Percentage of issued share capital at date hereof*	*Percentage of Enlarged Share Capital*
William Peter Kidney (Part A Plan)	500,000	38.5p	Two years from Admission until ten years from Admission	0.5%	0.35%
Pat Rocholl (Part A Plan)	100,000	38.5p	Two years from Admission until ten years from Admission	0.1%	0.07%
Rosemary Joyce (Part B Plan)	100,000	38.5p	Two years from Admission until ten years from Admission	0.1%	0.07%

No performance conditions were imposed on these options.

The Board resolved on 13 May 2008 to grant the following Plan Options which have been granted conditional upon and with effect from Admission (the option price in each case being equal to the Placing Price).

Name	*Number of shares under option*	*Exercise periods*	*Percentage of issued share capital as at date hereof*	*Percentage of Enlarged Share Capital*
Kevin Broger	300,000	Two to ten years from grant	0.3%	0.21%
Heindrich Ndume	250,000	Two to ten years from grant	0.25%	0.18%
James Burgess	200,000	Two to ten years from grant	0.2%	0.14%
Norman Leighton	100,000	Two to ten years from grant	0.1%	0.07%
Robert Sinclair	100,000	Two to ten years from grant	0.1%	0.07%
Adonis Pouroulis	100,000	Two to ten years from grant	0.1%	0.07%
Other employees	90,000	Two to ten years from grant	0.09%	0.06%

No performance conditions were imposed on the exercise of these options.

Warrants

For a summary of the number and terms and conditions attaching to warrants issued by the Company, please refer to paragraphs 11.10, 11.13, 11.14 and 11.21 of this Part 7.

5. The Group

5.1 To the knowledge of the Company and save as disclosed at paragraph 8 hereof, there are no persons who directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the ordinary share capital of the Company.

5.2 The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

5.3 The Company is the holding company of Chariot Investments and its directly owned subsidiaries. Details of the Company's significant subsidiaries are set out in the table below:

Name	*Country of incorporation and residence*	*Percentage ownership*
Chariot Investments	Guernsey	100 per cent. by the Company
Enigma	Namibia	100 per cent. by Chariot Investments
Greendale	British Virgin Islands	100 per cent. by Chariot Investments

6. The Memorandum

The Memorandum provides that the principal object and purpose of the Company is to carry on the business of a general commercial company. The Company's objects and purposes are set out in full in clause 3 of the Memorandum.

7. The Articles

The Articles include provisions to the following effect:

7.1 ***Votes of members***

At general meetings of the Company, whether on a show of hands or on a poll, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have one vote for every share of which he is a holder.

7.2 ***General meetings of Shareholders***

All general meetings which are not annual general meetings are called general meetings. General meetings may be called by directors, whenever they think fit or within 28 days of receipt of a requisition of members served in accordance with the Act. If at any time there are not sufficient directors to pass a board resolution to call a general meeting, any director or any two members of the Company may call a general meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.

An annual general meeting and a general meeting for the passing of a special resolution or a resolution appointing or removing a person as a director shall be called by 21 clear days' notice at least and all other general meetings shall be called by at least 14 days' notice.

7.3 ***Directors' authority to allot shares***

The Act does not contain any provisions equivalent to section 80 of the UK Companies Act 1985 requiring the Directors to obtain the approval of existing shareholders before issuing relevant securities. Under the Articles, however, similar restrictions apply such that the Board is not allowed to issue equity securities of the Company unless they are generally so authorised pursuant to an ordinary resolution, by the Company, in general meeting.

Any authorisation given must state the maximum amount of shares that may be allotted under it and the date on which it will expire, which must not be more than 5 years from the date the authorisation is given. The authorisation may be renewed or further renewed by the Company in general meeting for a further period not exceeding 5 years, provided the further authorisation states the amount of relevant securities which may be allotted and the date upon which the renewed authorisation will expire.

7.4 ***Rights of pre-emption on issue of Ordinary Shares***

The Act does not impose obligations upon the Directors to issue equity securities *pro rata* to existing Shareholders as is the case under section 89 of the UK Companies Act 1985. The Articles impose broadly similar restrictions as follows:

(i) the Board shall not allot any equity securities on any terms to a person unless it has made an offer to each person who holds relevant shares or relevant employee shares to allot to him on the same or more favourable terms a proportion of those securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate of relevant shares and relevant employee shares, and

(ii) the Board shall not allot any of those securities to a person unless the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.

The restrictions summarised at paragraph (i) above do not apply to a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash; and securities which the Company has offered to allot to a holder of relevant shares or relevant employee shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening sub-paragraph (ii).

The restrictions summarised in sub-paragraph (i) above do not apply to the allotment of securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an employees' share scheme of the Company.

7.5 ***Class rights***

The special rights attached to any class of shares may, subject to any applicable law, be altered or cancelled, either with the consent in writing of the holders of three fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

The provisions of the Articles applicable to general meetings apply *mutatis mutandis* to class meetings but the necessary quorum is two persons holding or representing by proxy not less than one third of the issued shares of that class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

7.6 ***Changes to share capital***

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

7.7 ***Reduction of share capital***

The Company may by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law. Subject to applicable law, the Company may purchase its own Ordinary Shares.

7.8 ***Directors***

(a) A director is not required to hold any qualification shares.

(b) The amount of any fees payable to Directors shall be determined by the Directors provided that they shall not in any year exceed an aggregate amount of £200,000 or such other sum as may from time to time be approved by ordinary resolution. Any such fees shall be divisible among the Directors as they may agree, or failing agreement, equally. The Directors are also entitled to be repaid all reasonable expenses properly incurred by them respectively in the performance of their duties. Any director holding an executive office or otherwise performing services which in the opinion of the Directors are outside the scope of his ordinary duties as a director may be paid such remuneration as the Directors may determine.

(c) The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give

donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or any other company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary of any such other company ("associated companies") and the families and dependants of any such persons and the Directors shall have power to purchase and maintain insurance against liability for any persons who are or were at any time directors, officers, employees or auditors of the Company, its associated companies and for trustees of any pension fund in which employees of the Company or its associated companies are interested.

(d) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, deputy chairman, managing director or chief executive) on such terms and for such period as they may determine.

(e) Subject to the provisions of applicable law and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;

(ii) may be a director or other officer of, or employed by, or a party to, any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

(iii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the Directors may arrange; and

(iv) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

(f) Save as specifically provided in the Articles, a director may not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company. A director will not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(g) Subject to applicable law, a director is (in the absence of some material interest other than is indicated below) entitled to vote (and will be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

(i) the giving of any guarantee, security or indemnity to such director in respect of money lent or obligations incurred by him at the request or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any contract or arrangement that he makes to subscribe for shares or debentures or other securities in the Company, pursuant to an offer by the Company of shares or debentures or other securities of the Company, or to underwrite any shares, debentures or securities of the Company;

(iv) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(v) any contract or arrangement concerning another company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise, provided that he does not hold a major proportion of voting rights (as defined in Rule 5 of the DTR) in one per cent. or more of the issued shares of any such body corporate;

(vi) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the Company or any of its subsidiaries;

(vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner to the employees; and

(viii) any proposal, contract, transaction or arrangement concerning the purchase or maintenance of insurance for the benefit of directors or persons who include directors, indemnities in favour of directors, funding of directors defending proceedings against him or them or doing anything to prevent such expenditure.

(h) Subject to any applicable law, the Company may by ordinary resolution suspend or relax the provisions summarised under sub-paragraphs (i) to (viii) above either generally or in relation to any particular matter, or ratify any transactions not duly authorised by reason of a contravention of such provision.

(i) At every annual general meeting, one third of all directors shall retire by rotation and stand for re-election.

7.9 ***Transfer of Ordinary Shares***

Save as referred to at paragraph 2.6 of this Part 7, all transfers of Ordinary Shares may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee.

7.10 ***Dividends***

There are no fixed dates on which a divided entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition, the Directors may pay interim dividends if justified by the profits of the Company available for distribution.

The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall revert to the Company.

There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident shareholders are present.

7.11 ***Financial assistance***

Financial assistance to purchase shares of a company or its holding company is not prohibited by the Act.

In accordance with the Companies (Financial Assistance for Acquisition of Own Shares) Ordinance, 1998, financial assistance may be given provided that immediately after the assistance has been provided, the company or subsidiary providing the assistance will satisfy a test of solvency.

Solvency for this purpose is satisfied by the company providing the assistance being able to discharge its liabilities as they become due in the normal course of business and its assets being greater than the aggregate of its liabilities, nominal amount of issued shares and any amounts standing to the credit of its share premium account and capital redemption reserve.

7.12 ***Rights of shares***

The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

7.13 ***Disclosure of interests***

From Admission and for so long as the Company has any of its share capital admitted to trading on AIM, or any successor market or any other market operated by the London Stock Exchange, every Shareholder must comply with the notification and disclosure requirements set out in Chapter 5 of the DTR as if the Company were classified as a "UK issuer".

Under the DTR, a Shareholder is required to notify the Company of the percentage of its voting rights if the percentage of voting that he or she holds (directly or indirectly) reaches, exceeds or falls below three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent., ten per cent., and each one per cent. threshold thereafter up to 100 per cent. The notification must be made within four trading days of the Shareholder becoming aware of the acquisition or disposal, or learning of any other reason, which leads to the increase or decrease in his or her shareholding.

7.14 ***Restrictions on shares***

(a) The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant authorised and issued shares:

(i) to confirm that fact or (as the case may be) to indicate whether or not it is the case, and

(ii) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in accordance with the Articles.

(b) No Shareholder holding shares representing 0.25 per cent. or more in nominal value of the issued shares of any class of capital in the Company, excluding treasury shares, shall, unless the Directors otherwise determine, be entitled:

(i) in respect of any such shares, to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting; or

(ii) to receive payment of any dividend (including shares in lieu of dividend) or other distribution payable in respect of any such shares; or

(iii) to transfer any such shares otherwise than:

(i) pursuant to acceptance of a take-over offer;

(ii) through a recognised investment exchange or other recognised market including but not limited to AIM; or

(iii) in any other manner which the Directors are satisfied is *bona fide* and at arm's length (in each case hereinafter referred to as an "arm's length sale")

if he or any person appearing to be interested in such shares has been given any such notice and has failed to give the Company the information thereby required within 14 days from the date of the notice provided that upon receipt by the Company of notice that the shares have been transferred pursuant to any arm's length sale or upon all information required being given by a Shareholder, such restrictions shall cease to apply in respect of such shares and any dividend withheld shall be paid.

7.15 ***Takeovers***

The Articles contain similar provisions to the Takeover Code in respect of compulsory offer and transfer in accordance with Rule 9 of the Code. These only apply in circumstances where the Code does not apply to the Company. In particular, they provide that, following the first Business Day after Admission, any person who acquires Ordinary Shares in the Company which, when aggregated with Ordinary Shares held by him and/or by persons acting in concert with him in relation to the Company, represents 30 per cent. or more of the voting rights attributable to Ordinary Shares, is required to make a general offer for all the Ordinary Shares not already held by him. In particular:

(a) A person who:

(i) whether by himself, or with persons determined by the Board to be acting in concert with him, acquire Ordinary Shares which, taken together with Ordinary Shares held or acquired by persons determined by the Board to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to Ordinary Shares of the Company; or

(ii) whilst he, together with persons determined by the Board to be acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to Ordinary Shares of the Company, acquires, whether by himself or with persons determined by the Board to be acting in concert with him, additional Ordinary Shares which, taken together with Ordinary Shares held by persons determined by the Board to be acting in concert with him, increases his voting rights attributable to Ordinary Shares of the Company

is in breach of the Articles.

(b) Where any person breaches the Articles as referred to in paragraph (a) above, the Board may do all or any of the following:

(i) require any member to provide such information as the Board considers appropriate to determine any of the matters;

(ii) have regard to such public filing as it considers appropriate;

(iii) make such determinations as it thinks fit, either after calling for submissions from affected members or other persons or without calling for such submissions;

(iv) determine that the voting rights attached to such number of Ordinary Shares held by such persons as the Board may determine to be held in breach of the Articles ("Excess Shares") are incapable of being exercised for a definite or indefinite period;

(v) determine that some or all of the Excess Shares must be sold;

(vi) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and

(vii) take such other action as it thinks fit.

If a person (the "Bidder") makes an offer to acquire all the Ordinary Shares, or all the shares of any class or classes in the Company (other than shares which at the date of the offer are already held by the Bidder (and persons acting in concert with him)) and, as a result of making that offer the Bidder has by virtue of acceptances of the relevant offer, acquired or contracted to acquire not less than nine-

tenths in value of the shares to which the offer relates, the Bidder may, by written notice to the Company, require the Company as agent for the Bidder to serve compulsory purchase notices (each, "Compulsory Purchase Notice") on the holders of shares to which the offer relates who have not accepted such offer ("minority shareholder") requiring them to sell such shares at the same price per share offered to any person identified by the Bidder.

8. Directors' and other interests

8.1 As at the date of this document and as expected to be immediately following the Placing and Admission, the interests of the Directors and their connected persons (as defined in the AIM Rules), in the share capital of the Company (all of which are beneficial) are as follows:

Name	*Number of Ordinary Shares prior to the Placing*	*Per cent. of the issued Ordinary Share capital prior to the Placing*	*Number of Ordinary Shares following the Placing*	*Per cent. of issued Share Capital following the Placing*	*Options*
Westward[1]	22,835,971	22.8	22,835,971	16.2%	nil
James Everett Burgess	2,250,000	2.2	2,250,000	1.6%	200,000
William Peter Kidney	500,000	0.5	500,000	0.4%	500,000
ICM[2]	25,376,172	25.4	25,376,172	18.0%	nil
Protech[3]	22,376,171	22.4	22,376,171	15.9%	nil
Robert Archibald Gilchrist Sinclair	nil	nil	nil	0%	100,000
Kevin Eric John Broger	1,000,000	1	1,000,000	0.7%	300,000
Heindrich Steven Ndume	nil	nil	nil	nil	250,000
Adonis Pouroulis	nil	nil	nil	nil	100,000
Norman Leighton	nil	nil	nil	nil	100,000

1 Westward, of which Robert Sinclair is a director, is owned by a discretionary trust of which Adonis Pouroulis is within the class of beneficiaries.

2 Norman Leighton is a director of ICM but has no beneficial interest in the share capital of ICM. ICM is ultimately beneficially owned and controlled by Mr Idalécio de Castro Rodriques de Oliveira.

3 Heindrich Steven Ndume is the sole registered shareholder of Protech.

8.2 Save as disclosed in sub-paragraph 8.1 above and this sub-paragraph 8.2, the Company is not aware of any holding (as defined by the AIM Rules) in the Company's Ordinary Share capital which amounts or would, immediately following the Placing and Admission, amount to three per cent. or more of the Company's issued Ordinary Share capital other than the following:

Name	*Number of Ordinary Shares prior to the Placing*	*Per cent. of the Issued Ordinary Share capital prior to the Placing*	*Number of Ordinary Shares following the Placing*	*Per cent. of issued Share Capital following the Placing*	*Options/ warrants*
Al Rajhi	12,692,016	12.6	13,092,016	9.3%	nil
Sirius Resources Fund 1 Limited	5,328,005	5.3	5,328,005	3.8%	68,548
Photon Global Limited[1]	5,223,465	5.2	6,993,465	4.95%	nil
Credit Suisse International	nil	nil	12,800,000	9.07%	nil

1 5,223,465 of these Ordinary Shares are held by Credit Suisse Client Nominees (UK) Limited as nominee for Photon Global.

The voting rights of the Shareholders set out in paragraphs 8.1 and 8.2 above do not differ from the voting rights held by other Shareholders.

8.3 Save as set out herein, there are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors, nor, save as disclosed in paragraph 11 of this Part 7, are there any outstanding loans or guarantees provided by the Directors to or for the benefit of the Company.

8.4 Save as disclosed herein, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken

as a whole and which was effected by the Company during the current or immediately preceding financial period, or during any earlier financial period and which remains in any respect outstanding or unperformed.

8.5 None of the Directors nor any member of a Director's family is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the ordinary shares, including a contract for difference or a fixed odds bet.

9. Directors

Summary of service agreements

9.1 On 28 April 2008, Mr Kevin Broger entered into a service agreement with the Company under which he agreed to act as Chief Executive Officer. Mr Broger is entitled to receive a salary of US$300,000 per annum, he is also entitled to a bonus at the absolute discretion of the remuneration committee of the Company ("Remuneration Committee") and to private medical insurance. Mr Broger's normal place of work is in Alberta, Canada, and his hours of work are such hours which are reasonably necessary for the full and proper performance of his duties. The agreement is terminable by either party upon six months' written notice. The agreement contains provisions relating to confidentiality and intellectual property. It also contains post termination restrictions preventing Mr Broger from competing for six months in any country within Africa or along the South Atlantic Margins and from soliciting key employees/consultants for twelve months. Upon termination, no benefits (other than those due during the notice period) are due to Mr Broger.

9.2 On 13 May 2008, Mr James Burgess entered into a service agreement with the Company under which he agreed to act as Commercial Director. Mr Burgess is entitled to receive a salary of £60,000 per annum, he is also entitled to a bonus at the absolute discretion of the Remuneration Committee. Mr Burgess's normal place of work is London, England and his hours of work are those which the Company may require for the full and proper performance of his duties. The agreement is terminable by either party upon six months' written notice. The agreement contains provisions relating to confidentiality and intellectual property. It also contains post termination restrictions preventing Mr Burgess from competing for six months in any country within Africa or along the South Atlantic Margins and from soliciting key employees/consultants for twelve months. Upon termination, no benefits (other than those due during the notice period) are due to Mr Burgess.

9.3 On 13 May 2008, Mr Heindrich Ndume entered into a service agreement with the Company under which he agreed to act as Country Director Namibia. Mr Ndume is entitled to receive a salary of US $150,000 per annum, he is also entitled to a bonus at the absolute discretion of the Remuneration Committee. Mr Ndume's normal place of work is Windhoek, Namibia and his hours of work are those which the Company may require for the full and proper performance of his duties. The agreement is terminable by either party upon six months' written notice. The agreement contains detailed provisions relating to confidentiality and intellectual property. It also contains post termination restrictions preventing Mr Ndume from competing for six months in any country within Africa or along the South Atlantic Margins and from soliciting key employees/consultants for twelve months. Upon termination, no benefits (other than those due during the notice period) are due to Mr Ndume.

9.4 In respect of each of the above agreements bonus awards will be determined by reference to performance criteria established by the remuneration committee from time to time.

Summary of letters of appointment

9.5 On 13 May 2008, Fintragh Trading & Consulting Limited ("Fintragh Trading") and Peter Kidney entered into a letter of appointment with the Company under the terms of which Fintragh Trading agreed to procure the appointment of Mr Peter Kidney as a non-executive director and as Chairman of the Company for a fee of £45,000 per annum payable quarterly in arrears. The appointment is for an initial term of three years and is terminable at any time on three months' written notice by either party. The letter contains provisions relating to confidential information. Upon termination of the

appointment, no benefits (other than those due during the notice period) are due to Fintragh Trading or to Mr Kidney.

9.6 On 13 May 2008, Mr Adonis Pouroulis entered into a letter of appointment with the Company under the terms of which he agreed to act as a non-executive director of the Company for a fee of £45,000 per annum payable quarterly in arrears. The appointment is for an initial term of three years and is terminable at any time on three months' written notice by either party. The letter contains provisions relating to confidential information. Upon termination of the appointment, no benefits (other than those due during the notice period) are due to Mr Pouroulis.

9.7 On 13 May 2008, Mr Norman Leighton entered into a letter of appointment with the Company under the terms of which he agreed to act as a non-executive director of the Company for a fee of £15,000 per annum payable quarterly in arrears. The appointment is for an initial term of three years and is terminable at any time on three months' written notice by either party. The letter contains provisions relating to confidential information. Upon termination of the appointment, no benefits (other than those due during the notice period) are due to Mr Leighton.

9.8 On 13 May 2008, Robert Sinclair entered into a letter of appointment with the Company under the terms of which he agreed to act as a non-executive director of the Company for a fee of £15,000 per annum payable quarterly in arrears. The appointment is for an initial term of three years and is terminable at any time on three months' written notice by either party. The letter contains provisions relating to confidential information. Upon termination of the appointment, no benefits (other than those due during the notice period) are due to Mr Sinclair.

9.9 Save as disclosed in sub-paragraphs 9.1 to 9.7 above, there are no service contracts, existing or proposed, between any Director and the Company.

9.10 Details of the commencement and expiration of the term of office of each Director are set out below:

Name	*Commencement of period of office*	*Date of expiration of term of office*
Robert Sinclair	13 August 2007	Annual General Meeting to be held in 2009
James Burgess	7 December 2007	Annual General Meeting to be held in 2008
Peter Kidney	7 December 2007	Annual General Meeting to be held in 2008
Norman Leighton	7 December 2007	Annual General Meeting to be held in 2009
Heindrich Ndume	7 December 2007	Annual General Meeting to be held in 2010
Adonis Pouroulis	7 December 2007	Annual General Meeting to be held in 2008
Kevin Broger	16 April 2008	Annual General Meeting to be held in 2009

There are no service contracts in place between the Company or any subsidiary and any member of the administrative/management or supervisory bodies which provides for benefits on termination of employment.

9.11 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Adonis Pouroulis	38	Chariot Oil & Gas (Investments) Namibia Limited Petra Diamonds Ltd Kalahari Diamonds Limited BPL Diamonds Limited Petra Diamonds Angola Holdings Limited Petra Diamonds Southern Africa Pty Limited Dimeng Diamond Holdings Pty Limited Pagvlei Mining Pty Limited Afropean Diamonds Pty Limited Dilsun Investments Pty Limited Lukad Investments Pty Limited Leanna Investments Pty Limited Lemprop Investments Pty Limited Enigma Oil & Gas Exploration Pty Ltd Namquest Oil & Gas Plc Oakpeak Limited	Blue Diamond Mines Golden Dumps (Pty) Limited Hasenov Investments Pty Limited Langlaate Mines (Pty) Limited Min Chem (Pty) Limited Salene Mining (Pty) Limited Sky Exploration (Pty) Limited Xenmar (Pty) Limited
Kevin Eric John Broger	46	Aladar Resources Limited Enigma Oil & Gas Exploration Pty Ltd	
William Peter Kidney	52	Fintragh Trading & Consulting Limited Providence Resources Plc Namquest Oil & Gas Plc Blue White Gold Ltd	ARCON International Resources Plc & Subsidiaries
Heindrich Steven Ndume	45	Chariot Oil & Gas (Investments) Namibia Limited Greendale Universal Holdings Limited Kaveidi Mining (Pty) Ltd Protech Namibia (Pty) Ltd Tueliweda Mining (Pty) Ltd Tualonga Trading (Pty) Ltd Enigma Oil & Gas Exploration Pty Ltd	

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
James Everett Burgess	44	J&K Property Investment Ltd European Business Jets Plc Chromex Mining Plc Running River Plc Namquest Oil & Gas Plc Fleetvine Ltd Simrose Ltd Lunga Resources (BVI) Ltd Madini Resources Ltd Greendale Universal Holdings Ltd	The Racing Club Ltd Zari Resources Plc Zareba Plc All African Resources Plc Cooper Owen Plc
Norman Leighton	57	Abbeybridge Limited Agrela Company Limited Ailsa Property Holdings Limited Alisha Company Limited Alpha Technical Services SA Anlyn Limited Antell Overseas Limited Aran Ray Limited Ariston Trading Limited Ashcliffe Holdings Limited Atlantic Ray Asset Management Limited Attle Consultants Limited Autotrade Software Limited Ayston Limited Aztec Holdings Limited Baker Holdings Limited Banjara SA Bayliss Consultants Limited Bellini Group Holdings Limited Berllan International Limited Betagh International Limited Blazerae International Limited Blush B-Lush Limited Bourbon Holdings Limited-Bram Limited Brea International Estates Limited Brimmers Limited Burnvalley Property Holdings Limited Cadogan Place Holdings Limited Calendula Holdings Limited Campus XXI Limited Capital Invest Limited Carmen Corporation Catalonia Overseas Limited Cawdor Finance Limited	Akina Developments Limited Aktania Trading Limited Allum Holdings Limited Alpha Technical Service S SA Alvaro Limited Anthesis Investments Limited Arnate Limited Astrim Limited Awe Inspiring Limited Bard Services Limited Bellshill Management Services Limited Bowmead Company Limited Breadean Holdings Limited Brittoncourt Holdings Limited Carn Du Limited Carvel Asset Management Limited Casal Limited Cawdor Finance Limited Ceiba S.A. Chanson Overseas Limited Cheverell Consulting Limited CLC Corporation Collette Estates Limited Cooperville Limited Creechurch Limited Crestwave Limited Dela Van Estates Limited Derward Holdings Limited Elma Services Limited Elmtronix limited Elyn Corporation Eston Properties Limited Glenveigh Holdings Limited Gleve Finance Limited Gold Leaf Equities Ltd. Grovegold Limited Hallen Consultants Limited Hallkyn Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Norman Leighton (continued)		Cherry Office Limited-Choicerite Limited Cody Corporation Combrae Holdings Limited CoMiCo- Consultancy Mining Company SA Cotswold Investment Corporation Cromalt View Property Holdings Limited Daindene Limited Damalis Developments Limited Darmaine Limited Deansbrook Limited Delavan Estates Limited Destiny Securities Limited Dogan Enterprises Limited Dolben Limited Drive Investments Limited Dunsandel Limited Ebony Securities Limited Edisford Limited Emlyn Enterprises Limited Falcon Group Holdings Limited Fellini Limited Fernley International Limited Flutter Bye Investments Fondation Sthenix SA Foxlow Limited Garboard International Limited Garnet Investments Limited Garridan Properties Limited Gladeton Limited Glendevon Holdings Limited Glenland SA Green Valley Personnel Recruitment Limited Greendale Universal Holdings Limited Hanslet Limited Harleston International Limited Heritage Trust Company Limited Higlo Limited Hotham Limited Howell Marketing Limited Iden Limited Inca Holdings Limited Interior Design Management Corp International Consultancy and Marketing SA	Hihstone Limited Hollyoak Holdings Limited Hurstmead Holdings Limited Indre Agribusiness Ag Infotech Frameworks Ltd. Ivybridge Overseas Limited Kaly Company Limited Kayani Holdings Limited Kaz Securities Limited Keala Investments Limited Kedross Limited Keeta Limited Kens Vale Limited Kerrycroy Limited Keyse Developments Limited Kiona Investments Limited Kolton Holdings Limited Korina Company Limited Kym Associates Limited Lakeside Consultancy Limited Linfield Developments Limited Louellan Limited Lynbridge Estates Overseas Ltd Marsac Investments Limited Meme 88 Limited Mercer Young Limited Mildmay Property Holdings Ltd Millthorpe Services Limited Mina Ventures Limited Miora Limited Mirage Commercial Services Limited MTS Marketing And Technical Services Sa Nam Kee Properties Limited Northcove Holdings Limited Ouden Finance Limited Panya Limited Parksley Company Perla Limited Precision Dental Ltd. Quintin Estates Overseas Ltd. Ravenspark Limited Ravenstone Property Investments Limited Raynor Services Limited Realjudge Limited Refinement Group Limited Reno Investments Limited Roe Ventures Limited Russbridge Limited Sauna Investments Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Norman Leighton (continued)		International Film Collective Limited International Management Group SA International Pharmaceutical Services Limited Ivybridge Overseas Limited Karla Finance Limited Kaveidi Mining (Pty) Ltd Kaz Securities Limited Keaton Associates Limited Kenzie Company Limited Kirkbridge Investments Corp Kirkwall Capital Limited Kondor Limited Laila Holdings Limited Laurent Asset Holding Limited Laurimel Limited Leebourne Overseas Limited Leecroft Consultants Limited Leighton & Leighton JNC Linderry Limited Linedegree Limited Linkside Estates limited Loftus Services Limited Longport Investments Limited Lynacre Limited Malista Limited Martis Securities Limited Matsu Overseas Limited Maxide Investments Limited Megaton Limited Merecliff Holdings Limited Messina Securities Limited Midbay Limited MTS Marketing and Technical Services SA MTS Timber S.A. Mynalmyn PTY Namquest Oil & Gas Plc N.R.I. – Natural Resources Investments S.A. Nairana Limited Netgo Limited Oakleigh Estates Limited Ocean Sun Holdings Limited Oliver Martin Photography Inc Olyffe Corporation Orban Investments Overseas Horizon Properties LimitedPantanel S.A. Pathway Carribbean Holdings (B.V.I) Limited	Sans Souci Marine Limited Seaport Securities Limited Secerce Limited Shamara Limited Siflex Limited Skyline Limited Southern Mile S.A. Sparkford Limited Summerhill Properties Limited Tanridge Overseas Limited Tempraline Management Limited Tern Enterprises Limited Thames Bank Property Company Limited Topshot Limited Torley S.A. Traverse Limited Treveris Management Limited Tyrone Investments Limited Umbria Investment Corporation Valleymist Limited Valuz Limited Venezia Property Holdings Ltd. Villa Properties Limited Walkden Holdings Limited Warrant Limited Westclare Company Limited Westferry Services Limited Wildwynd Company Limited Winchell Enterprises Co Wingmore Limited Worldwide Advertising Limited Yasmyn Limited Yumi Limited Zelda Estates Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Norman Leighton (continued)		Pearl River Holdings Peterlee International Limited Plenward Placement Limited Pleumartin Limited Portside Holdings Limited Property & Land Finance S.A. Property Associates Limited Protour Estates Limited Rancecraig Holdings Limited Randolph Investments Limited Renoir Investments Limited Republic Int Trust Co Limited (Nevis) Republic International Trust Company Ridge Park Finance Limited Riminey Properties Limited Ringstead Investments Limited Riverleigh Corporation Rivulet International Limited Roblea Properties Limited Roe Ventures Limited Rosleen Limited Rossarden Limited Ruffec Corporation Rydges Properties Limited Ryhall Properties Limited Safar Property Holdings Limited Seneschal Investments SA Shaine Management Limited Shandene Holdings Limited Sharidon Limited Shelbourne Capital Limited Simsbury Consultants Limited Sixty Six Limited Skiathas Limited Southern Holdings Limited Southern Investments Limited St. Enodoc Investments Limited Surrender Licensing Limited Syncretix Corporation Synergy Development Holdings Limited Tanza Limited Tearaway Limited Teletec Limited Tip-Toe International Limited Tointon International Limited Towerbray Limited Trailwise Limited Trevarth Investments Limited	

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Norman Leighton (continued)		Trlanga Trading (Pty) Ltd Tueliweda Mining (Pty) Ltd Valera Consultants Limited Vendome Estates Limited Village Investments Holdings Limited Villakin Property Holdings Limited Vona Securities Limited Vormundfonds S.A. Whiteoak Finance Limited Wichard Company Limited Wyer Consultants Limited Wyndune Properties Limited Yarmouth Limited Yaverland Developments Limited Yorkton & Company Limited Zander Promotion Limited Zyrone Limited	
Robert Archibald Gilchrist Sinclair	58	Abbeygate Resources Limited Adelphi Management Limited African Focus Investments Limited Anghiti Holdings Limited Antilles Windward Holdings Limited APN Management Limited Aquaterra Group SA Artemis Corporate Services Limited Artemis Holdings Limited Artemis Nominees Limited Artemis Secretaries Limited Artemis Societe Avec Responsabilie Limitee Artemis Trustees Limited Aruana Inc. Ashtone Investments Limited Atticus E & A N Limited Barnes Properties Limited Bibby International Services (Guernsey) Limited Bibby Offshore (Guernsey) Limited BIL (SCB) Holdings Limited Bio Diesel Africa Limited Bioscience Funding Ltd Breezes Beach Club Limited Breezes Beach Club Limited (Gsy)	12 St. Germans Place Limited 3i Bioscience Investment Trust Plc Alicante Services Limited Antiques and Fine Art Limited Appia Limited Ardmay Limited Atlas Discount Inc. ATM Limited BaB Investments Limited Bagan Group (JSC) Limited Balandra NV BAMA Consultancy Limited Bardolph Enterprises Inc. Bayleaf Invest Limited Beleta Worldwide Limited Bellerive Airport Services Limited Bioscience Funding Limited Birchgrove Limited Bowline Yachts Limited Brenham Securities Limited Caden International Limited Canadian Gold Inc. Canadian Gold Inc Carnet Holdings Limited Carrington Financial Management Limited Central Rand Gold Plc Cheam Properties Limited Coolmint Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Robert Archibald Gilchrist Sinclair (continued)		Brefney Investment Holding Limited Calpurnia Partners Limited Casita Properties Limited Centenary Investments Limited Central Rand Gold (Netherlands Antilles) NV Central Rand Gold Consols Limited Chadstone Management Inc. Chariot Oil & Gas Investments (Namibia) Limited Chromex Mining Plc CHS Aviation Limited Churchmore Limited Collatine Limited Coupland Overseas Limited Crocketfort Limited Dawnay Day Sirius Limited Delstone Management Limited Delta Securities Limited Denvale Global Limited Devoran Trustees Limited DFDS Tor Line (Guernsey) Limited Englefield Trustee Company Limited Erith Limited Euro-Seamark Limited Evans Randal International Limited Exotique Limited Farleton Limited Financial and International Investment Group Limited Flow East Limited – Jersey Foreland Shipping (Guernsey) Limited Fortuitous Limited Franki International Projects (Guernsey) Limited Gerel Investment Corporation Global Drilling Limited Global Marine Systems (Guernsey) Limited Global Marine Systems Guernsey Pension Plan GMS Guernsey Pension Plans Limited Goldworthy Investments Limited Gottex Market Neutral Trust Limited	Coral Bay Group Limited DDH Investments Limited Denham Properties Limited Desert Lane Limited Dove Holdings Inc. Drytank Shipbrokers Limited Elmina Group Limited Elmwood Investments Limited Exotic Hotels Limited FastMed Limited Featherglass Limited Flow East (BVI) Limited Frodo Limited Garsdale Investments Limited GB Partnership Investment Associates Inc. Gemstar Global Limited Gold Mineral Resources Limited Greenoaks Properties Limited Hexpress Limited Hollington Properties Limited Holmbush Investments Limited Hope Maritime Services Limited International Sawgrass (Guernsey) Limited Iris Air Limited Island Sound Limited ITA Limited Jade Management Holdings Limited Kamanda Limited Kilburn Properties Limited Kohima Limited Laskara Limited Lavima Holdings Limited LCS Limited LGS Limited Libertas Holdings Limited Libertas Limited Liberty Family Limited Liberty Holdings Investments Limited Longmore Limited Magnum Platinum Ventures (Proprietary) Limited Manana Investments Limited Maranello Properties Limited Meath Investment Corporation Medco Limited Medco Limited Mirasol Overseas Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Robert Archibald Gilchrist Sinclair (continued)		Greendale Universal Holdings Limited GRP Investments Limited-Handicap Zero SA Hebridean (Guernsey) Limited Hightrees Inc Holland Holdings Limited Hotel Tourism Management Limited Idlerock Investments Limited ING UK Real Estate Income Trust Limited ING UK Real Estate Trust (Property No 2) Limited ING UK Real Estate Trust (Property) Limited ING UK REIT (SPV No 2) Limited ING UK REIT (SPV) Limited Improp Management Limited International Copper Resources Limited JNR Eastern Investments Limited JNR Limited Kahill Holdings Limited Kilrieco Limited Kilvarock Limited Kintyre Investments Limited Kiribati Investments Limited Kirkland Limited Knightsbridge Property Limited Lawon Trading Corporation Life Science Capital Fund Life Science Capital Limited Listard Limited Lunga Resources (BVI) limited Madini Resources Limited Maldini Limited Management Construction & Technical Services LimitedMandley Enterprises Limited Mantova Limited Maritime Adriatic Limited Merrydown Properties Inc. Millennium Asset Management Limited Millennium Global Emerging Credit GP Limited Millennium Group Holdings Limited	MMED Limited Nevada Holdings Limited Northview SA Oakdale Global Limited Oakdale Limited Oneroa Limited Oriana Investments (BVI) Group Limited Oscar Investments Limited Pacol (UK) Limited Parkway Investments Limited Peach Hill Limited Pennycross Limited Phemba Holdings (Pty) Limited Phemba Platinum Resources (Pty) Limited Phoenix International Limited Pollensa Limited Prague Property Holding (BVI) Limited PVXL Limited Razario Resources Limited Redita Overseas Limited Reeza Global Limited Resolute Investment Holdings Limited Rickmansworth Corporation Ricky Investments Limited RITCP Guernsey Limited Riverdale Resources Limited RoDo Investment Company Limited Roseway Global Limited Rowlinson Limited S2MI Limited Sanderton Limited Seap Corporation Limited Sherton Limited Skylink Aviation Limited Spitfire Digital Limited Spring Private Equity Limited Spruce Management Limited Standing Rock Corporation Starstone Global Limited Strasbury Limited Tamerinda Limited Tarville International Limited Uplink Investments Group Limited Wakari Investments Limited Wilcannia Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Robert Archibald Gilchrist Sinclair (continued)		Millennium Multi-Strategy Fund Miranda Properties Limited Mukuba Resources Limited Narcissus Investments Limited Navite Holdings Limited New Earth Holdings Limited Newway Property Holdings Limited NFL Catering Services Limited NR Securities Limited (formerly DRED Limited) Otillia Investments Limited Pearltona Enterprises Limited Pilden Holdings Inc Pippin International Limited Port George Holdings (BVI) Limited Port George Investments (BVI) Limited Premier Limited Pritchard-Gordon Tankers (Guernsey) Limited Proctor International Limited Revax Art Investment Limited RMS Investments Limited Rosanna Resources Limited Rushington Investments Limited S.A.T.I Limited Sanderton Limited Schroder Oriental Income Fund Limited Seamark Trust Company (CI) Limited Staffport Limited Teresina Holdings Limited Terracina Properties Limited Thunderbird Management Limited Tintoretto Limited Truscott Investments Limited Ufford Insurance PCC Limited Unipro International Limited United European Car Carriers (Guernsey) Limited VB Investments Ventnor Holdings Limited Veradale Group Limited Voltaire Distribution Limited Webster Finance Corporation Limited	Woodward Overseas Limited WWRH Limited

Director	*Age*	*Current directorships and partnerships*	*Past directorships and partnerships*
Robert Archibald Gilchrist Sinclair (continued)		Westward Investments Limited Wotan Limited Yrrah Investments Limited Yukon Inc (33764) Zenta Investments Limited Zodiac Business Corp	

9.12 Robert Sinclair was, until 4 July 2005, a director of The Bioscience Investment Trust PLC, which was placed in members' voluntary liquidation on 13 May 2005. Mr. Sinclair is a director of Global Marine Systems (Guernsey) Limited as a result of his being a director of Artemis Trustees Limited. Global Marine Systems (Guernsey) Limited went into liquidation on 19 May 2005 and it is currently not possible to determine whether that liquidation will be solvent.

9.13 James Burgess was until 27 November 2006 a non-executive director of Cooper Owen Plc, which was placed into administration during April 2007. By reference to the original statement of affairs filed by the administrators in May 2007, the estimated deficit to creditors was approximately £185,000.

9.14 Save as disclosed above none of the directors has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the twelve months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the twelve months after he ceased to be a partner in that partnership;

(e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the twelve months after he ceased to be a partner in that partnership;

(f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

10. Employees

As at 29 February 2008, the Company had 4 employees. As at the date of this document, the Company has 6 employees.

11. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or a member of the Group within the two years immediately preceding the date of this document and are, or may be, material (or pursuant to which any member of the Group has any obligation or entitlement which is material as at the date of this document):

11.1 On 27 October 2005, Greendale entered into two Petroleum Agreements with the MME and was granted and issued two petroleum exploration licences pursuant to the provisions of the Petroleum Act, the details of which are set out below. These licences and the petroleum agreements to which they related were transferred to Enigma pursuant to a cession agreement between Enigma, Greendale and the MME dated 1 April 2008. The details of the licences (to which the Petroleum Agreements related), on their date of issue, were as follows:

11.1.1 Petroleum Exploration Licence No. 0014, issued in the name of Greendale on 27 October 2005 and extending over Block 1811A & B, Namibe Basin;

11.1.2 Petroleum Exploration Licence No. 0015, issued in the name of Greendale on 27 October 2005 and extending over Block 2714B, Orange Basin;

Each of the Licences and the Petroleum Agreements are in substantially the same form. A summary of the work programmes and minimum expenditure requirements for each of the Licences is set out in Part 3 hereof, together with a summary of Enigma's obligations under the Licences and the Petroleum Agreements.

11.2 On 31 August 2006, Enigma entered into three Petroleum Agreements with the MME and was granted and issued three petroleum exploration licences pursuant to the provisions of the Petroleum Act, the details of which are set out below.

11.2.1 Petroleum Exploration Licence No. 0019, issued in the name of Enigma on 31 August 2006, valid for 4 (four) years, and extending over offshore Blocks 2312A, 2312B, 2412A (northern half) and 2412B (northern half), Walvis Basin;

11.2.2 Petroleum Exploration Licence No. 0020, issued in the name of Enigma on 31 August 2006, valid for 4 (four) years, and extending over offshore Block 2714A, Orange Basin;

11.2.3 Petroleum Exploration Licence No. 0021, issued in the name of Enigma on 31 August 2006, valid for 4 (four) years, and extending over offshore Blocks 2518, 2618, Nama Basin.

Each of the Licences and the Petroleum Agreements are in substantially the same form. A summary of the work programmes and minimum expenditure requirements for each of the Licences is set out in Part 3 hereof, together with a summary of Enigma's obligations under the Licences and the Petroleum Agreements.

11.3 On 17 May 2007, Namquest constituted identical loan note instruments issuing loan notes of US$2 million to Sirius and US$5 million to Al Rajhi. The loan notes were to automatically convert into Ordinary Shares on Admission or from the date falling eight months after issue of the loan notes at 50 per cent. of the Placing Price in the case of conversion on Admission or 50 per cent. of a price on sale or adjudicated by an independent expert.

11.4 On 7 January 2008, deeds of variation and novation were entered into between Namquest (1) the Company (2) and Al Rajhi (3) and between Namquest (1) the Company (2) and Sirius (3) whereby Namquest's obligations (and the relevant lender's rights) under the loan notes were novated to the Company. The parties varied the terms of the loan notes to allow conversion for a period of three months following 7 January 2008 at the option of the relevant lender into Ordinary Shares at a price of 19p per Ordinary Share. These loan notes subsequently converted into Ordinary Shares as set out at paragraph 3.6 (e) and (f) above.

11.5 An agreement ("Share Purchase Agreement") dated 24 May 2007 between Onslow (1) and Namquest (2) pursuant to which Onslow agreed to sell one share representing the entire issued share capital of Greendale to Namquest. The consideration for the transfer of the share was that Namquest paid £100 in cash on completion and agreed to allot and issue the number of ordinary shares in Namquest equating to £1.1 million divided by the Placing Price on Admission. This agreement was subsequently novated to Chariot as further referred to at paragraph 11.7 below.

11.6 An agreement ("the Asset Sale and Purchase Agreement") dated 7 January 2008 between the Company (1) and Namquest (2) pursuant to which Namquest transferred the following assets to the Company:

(a) the sole issued share of Greendale;

(b) a cash sum of £461,737.81; and

(c) the benefit of a debt of £1,402,093.64 owing to Namquest by Enigma.

The consideration for the transfer of the assets was the assumption of certain liabilities of Namquest by the Company including pursuant to convertible loan notes issued by Namquest on 17 May 2007 and to the Share Purchase Agreement together with all other trading obligations and liabilities (such liabilities not to exceed £25,000). The Asset Sale and Purchase agreement contains certain warranties given by Namquest to the Company.

11.7 On 7 January 2008, a deed of novation was entered into between Namquest (1) Onslow (2) and the Company (3) pursuant to which the Company was substituted for Namquest in respect of Namquest's rights and obligations pursuant to the Share Purchase Agreement.

11.8 An agreement ("the Enigma Share Purchase Agreement") dated 7 January 2008 between Protech, Credit Suisse Client Nominees (UK) Limited, Westward and ICM (as "Vendors"), the Company and Chariot Investments.

Pursuant to the terms of the Enigma Share Purchase Agreement, the Vendors agreed to sell with full title guarantee and free from all encumbrances the entire issued share capital of Enigma for a consideration of £20 million to Chariot Investments. This consideration was to be satisfied by the allotment and issue by the Company (on behalf of Chariot Investments) of 52,234,653 Ordinary Shares ("Consideration Shares").

The Vendors gave limited warranties under the Enigma Share Purchase Agreement. The Vendors warranted that there is no reason why the petroleum agreements and the petroleum licences held by Enigma should be suspended, cancelled, revoked or not renewed. There were neither limitation on liability provisions nor disclosure against the warranties.

Pursuant to the terms of the Enigma share purchase agreement, each of the Vendors agreed not to dispose of any of the Consideration Shares during the period from the date of the agreement until the first anniversary of Admission and thereafter for a period of a further twelve months following the first anniversary of Admission only to dispose of such shares through the Company's broker from time to time in order to ensure an orderly market in such shares.

The Enigma Share Purchase Agreement contains certain obligations on the Company:

(a) the Company agreed to procure finance for all of Enigma's financial and contractual obligations and that if any interest or part thereof in any of the licences and/or agreements held by Enigma are sub-contracted then the Company's obligations to procure finance for such contractual obligations shall terminate;

(b) the parties acknowledged that Enigma owed ICM approximately US$1.4 million and Westward approximately US$1.7 million. Such loans were stated as being non-interest bearing, are and would continue to be unsecured and would be repaid on the earlier of admission (as defined therein) or on or before 31 December 2008. The Company agreed to use reasonable endeavours to procure that sufficient funds are raised from any equity issue carried out in conjunction with such admission to repay such loans.

11.9 On 8 January 2008, Sirius and Al Rajhi delivered notices of conversion to the Company pursuant to which all of their outstanding loan notes with the Company were converted into 5,328,005 Ordinary Shares on 21 January 2008 (in the case of Sirius) and 13,320,016 Ordinary Shares (in the case of Al Rajhi) on 5 February 2008.

11.10 Deeds of warrant grant dated 13 February 2008 and 27 March 2008 respectively, between the Company (1) and BMO (2) under which the Company granted to BMO an option to subscribe for such number of Ordinary Shares as shall equate to (in aggregate) £222,780 at a price per Ordinary Share of 50 per cent. of the Placing Price at any time up to twenty four months from the date of Admission or, if Admission has not taken place by 31 January 2009, up to twenty four months thereafter. By deed of assignment dated 7 May 2008 BMO assigned to Sirius Investment Management LP Incorporated with the consent of the Company such number of Warrants as equates to £44,556 at a price per Ordinary Share of 50 per cent. of the Placing Price.

11.11 On 13 February 2008, the Company constituted a loan note instrument (by way of a deed poll) issuing loan notes up to the aggregate principal amount of £2,713,000, subsequently increased by £1 million with the consent of 75 per cent. of loan noteholders during March 2008. No interest is payable under the Loan Notes and upon Admission the principal amount of convertible loan notes will automatically convert into a number of shares equal to:

A / (PP * 0.5)

where A equals the principal value of convertible loan notes and PP equals the price per ordinary share at which new shares are issued pursuant to the Placing (as defined therein) anytime. After twelve months from the issue of the convertible loan notes ("conversion long stop date"), the convertible loan notes may be converted into shares at the option of the noteholder where the value of the shares will be determined by a sale event or an independent expert (failing agreement between the noteholder and the Company). In the event of a noteholder conversion, the principal amount of the convertible loan notes to be converted will convert into a number of shares equal to:

A / (VP * 0.5)

where A equals the principal value of convertible loan notes to be converted and VP equals the price of a share of the Company, as determined by a sale event (as defined therein) (by agreement with each noteholder) or by an independent expert. All convertible loan notes not converted or repaid by a date 18 months from the issuance of the convertible loan notes shall be redeemed by the Company on that date, but may not be redeemed prior to that date unless there is an event of default and all outstanding convertible loan notes shall become immediately repayable, at the option of a noteholder if there is an event of default, as defined in the loan note instrument. On Admission, the Loan Notes will convert into 5,712,317 Ordinary Shares.

11.12 Agreements ("the Pre-IPO Placing Agreements") dated 13 February 2008 and 27 March 2008 respectively between the Company (1), the directors of the Company at the time of such agreements (2) and BMO (3) pursuant to which BMO agreed to use its reasonable endeavours to procure subscribers for the Loan Notes.

The pre-IPO placing agreements contained warranties from the Company and the applicable directors and indemnities from the Company in favour of BMO. The liability of the applicable directors for a breach of warranty (payable on an indemnity basis) is limited.

Under the pre-IPO placing agreements the Company agreed to pay a commission of 6 per cent. of the placing proceeds plus expenses and issue £222,780 warrants to BMO pursuant to the deeds of warrant grant referred to above.

11.13 On 25 April 2008, Spartan Corporate Finance Ltd and the Company entered into an underwriting agreement pursuant to which Spartan Corporate Finance Ltd agreed to underwrite the subscription for Placing Shares with a value not to be less than £7,500,000 (calculated by reference to the Placing Price), for which the Company agreed to pay a cash commission of £300,000 and grant Warrants to subscribe for 230,770 Ordinary Shares which are exercisable for 2 years after Admission at the Placing Price.

11.14 On 25 April 2008, Saad Investment Company Limited ("Saad") and the Company entered into an underwriting agreement pursuant to which Saad agreed to underwrite the subscription for Placing

Shares with a value not to be less than £2,500,000 (calculated by reference to the Placing Price), for which the Company agreed to pay a commission of £100,000 and grant Warrants to subscribe for 76,924 Ordinary Shares which are exercisable for 2 years after Admission at the Placing Price.

11.15 An agreement ("the Placing Agreement") dated 13 May 2008 between the Company (1), the Directors (2) KPMG Corporate Finance (3), BMO (4) and ICM (5) pursuant to which and conditional upon, *inter alia*, Admission taking place on or before 9:00 a.m. on 19 May 2008 (or such later time and or date as the Company, KPMG Corporate Finance and BMO may agree being not later than 23 May 2008), BMO has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains warranties from the Company, the Directors and ICM and indemnities from the Company in favour of KPMG Corporate Finance and BMO together with provisions which enable KPMG Corporate Finance and BMO to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The liability of the Directors for breach of warranty (payable on an indemnity basis) is limited. Under the Placing Agreement, the Company has agreed to pay KPMG Corporate Finance a fee of £225,000 plus a commission equal to 0.5 per cent. of the amount by which the gross proceeds of the Placing ("Placing Proceeds") exceeed £15,000,000 and BMO a commission equal to 6 per cent. of the Placing Proceeds (and Warrants, in the form set out in paragraph 11.10 hereof over 2,076,900 Ordinary Shares (with an exercise price equal to the Placing Price)).

11.16 A nominated adviser agreement dated 13 May 2008 between the Company (1), the Directors (2) and KPMG Corporate Finance (3) pursuant to which the Company has appointed KPMG Corporate Finance to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay a fee of £50,000 per annum for annum for its services as nominated adviser under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is subject to termination on the giving of one month's written notice by either party.

11.17 An agreement ("HRT Services Agreement") dated 30 May 2007 between Namquest (1) and HRT Petroleum Ltda ("HRT") (2) pursuant to the terms of which HRT rendered Namquest technical consulting services in respect of geology and related matters, aimed at the analysis of data packages and propriety data in relation to the set of Namibian concession blocks formed by blocks 2518 and 2618, in their onshore portion and blocks 1811A, 1811B, 2312A, 2312B, 2412A (Northern half), 2412B (Northern half), 2714A and 2714B ("Concession Blocks") in their offshore portion. In addition, HRT supplied Namquest with a valuation of the discovery potential in areas located in the Concession Blocks in order to provide technical and economical information to Namquest for the evaluation of the Concession Blocks. Pursuant to the HRT Services Agreement, Namquest paid HRT on a time and materials basis (up to a maximum of US$5,110,000). Namquest may terminate the HRT Services Contract at any time without cause by giving HRT three months written notice. The database and all other material, data and information and the intellectual property developed by HRT and/or by Namquest and other rights which protect them are stated as being the sole property of Namquest under this Agreement. The HRT Services Agreement contains warranties given by HRT to Namquest. On 15 April 2008, a deed of novation was entered into between Namquest (1), HRT (2) and the Company (3) pursuant to which the Company was substituted for Namquest in respect of Namquest's rights and obligations with deemed effect from 7 January 2008.

11.18 An agreement dated 1 October 2007 between Artemis Trustees Limited ("Artemis") (1) and the Company (2) pursuant to which Artemis (a company of which Robert Sinclair is a director and, ultimately, a shareholder) agreed to provide company administration services, for which the Company agreed to pay an annual administration fee on a time spent basis, calculated by reference to the time occupied by the work undertaken and the degree of responsibility and skill of the members of staff involved. Either party may terminate the terms of engagement on giving not less than one month's written notice. Upon termination, Artemis shall be entitled to their fees pro rated to the date of

termination. The Company shall indemnify Artemis against all claims and demands including costs and expenses, rising in relation to the performance of their duties in respect of any loss or damage sustained by any third party. In the absence of fraud, wilful default or gross negligence, Artemis shall not be liable for any loss or damage suffered by the Company arising directly or indirectly out of an error of judgment, oversight or mistake made by Artemis in good faith in performance of their duties under the terms of the engagement.

11.19 By engagement letter dated 23 April 2008 the Company appointed HRT to provide certain oil and gas consulting services to the Company. Pursuant to the terms of this engagement letter HRT agreed to provide a Competent Person's Report in accordance with the relevant AIM Rules guidance notes and to consent to the inclusion of this report in the Admission Document. The consideration for preparation of this report was US$196,402.

11.20 A Broker Agreement dated 23 April 2008 between the Company (1) and BMO (2) pursuant to which the Company has appointed BMO to act as Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay BMO an annual retainer of £50,000 per annum for its services as broker under this agreement. The agreement contains warranties and indemnities from the Company, continues for a fixed period of one year from the date of the agreement and, thereafter, is subject to termination on the giving of 30 days' notice.

11.21 On 25 April 2008, the Finch Group Limited ("Finch") and the Company entered into an underwriting agreement pursuant to which Finch agreed to underwrite the subscription for Placing Shares with a value not to be less than £4.5 million (calculated by reference to the Placing Price), for which the Company agreed to pay a commission of £180,000 and grant Warrants to subscribe for 138,462 Ordinary Shares which are exercisable for 2 years after Admission at the Placing Price.

12. Dependence on intellectual property etc.

Save as set out in Part 3 hereof, the Group is not dependent on any patents, intellectual property, licences, industrial, commercial or financial contracts or new manufacturing processes which have a material effect on the Group's business or profitability.

13. Related party transactions

The Group has entered into various transactions in which ICM, Westward and Protech are interested. ICM, Protech and Westward own 25.4 per cent., 22.4 per cent. and 22.8 per cent. respectively of the issued Ordinary Shares prior to Admission. Norman Leighton, one of the Directors, is a director of ICM. Adonis Pouroulis, one of the Directors, is one of a number of potential beneficiaries of the trust that owns Westward and Robert Sinclair, one of the Directors, is a director of Westward. Protech is wholly owned by Heindrich Ndume, one of the Directors. The transactions entered into by the Group in which ICM, Protech or Westward have an interest are as follows:

13.1 Westward paid exploration costs on behalf of Enigma amounting to US$1.7 million. A further US$1.4 million was advanced to fund exploration costs from ICM. These balances remain outstanding, are non interest bearing and are to be repaid on Admission out of the proceeds of the Placing.

13.2 On 7 January 2008, the Company acquired the entire issued share capital of Enigma in consideration for which the Company allotted 52,234,653 Ordinary Shares. Prior to this transaction, Enigma was beneficially owned and controlled by, amongst others, Westward, Protech and ICM.

13.3 On 7 January 2008, the Company acquired the assets and assumed certain liabilities of Namquest. Namquest is controlled by ICM, Westward and Protech.

In addition, the Group has entered into the following related party transactions:

13.4 On 17 May 2007, Namquest issued convertible loan notes amounting to US$2 million to Sirius. The loan notes were subsequently novated to the Company as part of the assumption of certain liabilities of Namquest and on 7 January 2008 were converted into 5,328,005 Ordinary Shares in the Company.

13.5 J&K Property Investments Limited, a company owned as to 50 per cent. by James Burgess and of which he is a director provides services and facilities for the Group and receives a fee of approximately £40,000 per annum.

13.6 Pursuant to an agreement dated 1 October 2007, Artemis Trustees Limited, a company of which Mr Robert Sinclair is a director and ultimately a shareholder, was appointed by the Company to provide administration and company secretarial services. Fees are chargeable on a time spent basis, calculated by reference to the time, work type and skills involved in providing the services.

13.7 By deed of assignment dated 7 May 2008 the Company consented to the assignment by BMO to Sirius Investment Management LP Incorporated of warrants exercisable over a number of Ordinary Shares calculated by dividing £44,556 by 50 per cent. of the Placing Price.

14. Litigation

The Company is not involved nor has been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Company's (or any member of its group) financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against the Company (or any member of its group).

15. No significant change

Save as set out herein there has been no significant change in the financial or trading position of the Company or the Group since 29 February 2008, the date to which the financial information set out in Part 5 has been drawn up.

16. Working capital

The Directors are of the opinion, having made due and careful enquiry and having taken into account the net proceeds of the Placing, that, following Admission, the working capital available to the Company and the Group will be sufficient for their present requirements, that is for at least twelve months from the date of Admission.

17. Taxation

17.1 ***General***

The following statements are of a general and non-exhaustive nature based on the Directors' understanding of the current tax legislation and practice of the tax authorities in Guernsey and the United Kingdom (which are subject to change, possibly with retrospective effect) and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate to persons who are resident and ordinarily resident in the United Kingdom for United Kingdom tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment. An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in Guernsey or the United Kingdom (or in any other country in which a subsidiary of the Company through which investments are made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding, converting or selling shares under the laws of their country and/or state of citizenship, domicile or residence.

17.2 ***Guernsey taxation***

17.2.1 *The Company*

Prior to 1 January 2008, Guernsey operated an exempt company regime which broadly provided that Guernsey registered companies could register as exempt from Guernsey income tax, if they could demonstrate there was neither any Guernsey source income within the company, other than bank interest, nor were there any Guernsey resident beneficiaries of the company or structure. Otherwise Guernsey resident companies were subject to Guernsey income tax at a flat rate of 20 per cent.

With effect from 1 January 2008, Guernsey implemented a "Zero 10" regime. The result of this is that the basic rate of corporation tax was reduced from 20 per cent. to zero per cent., with an intermediate 10 per cent. rate applying to some financial institutions carrying out banking activities and a 20 per cent. rate applying to companies with income from Guernsey property as well as utility companies. In addition the exempt company regime was largely abolished other than for funds and collective investment schemes.

Previously, exempt companies were required to pay a fixed annual fee of £600. However the £600 annual exempt fee has ceased to be payable under the "Zero 10" regime and is replaced by a filing fee of £260.

Under the provisions of the Guernsey income tax law, companies which are resident for Guernsey tax purposes will be required to submit an income tax return. However, accounts and tax computations are not required if the Company can confirm they have no Guernsey employees (other than local directors), have no Guernsey resident beneficial members, have no Guernsey rental or property development income; and does not carry out any banking activities.

Should the Company have either a Guernsey resident investor(s) or employee(s) then it would need to make a return, and submit copies of the accounts to the Guernsey income tax office. The company's rate of tax remains at 0 per cent. and non-Guernsey resident investors will suffer no Guernsey tax.

The Company will not be required to withhold tax on dividend/interest payments made to investors that are not Guernsey residents.

17.2.2 *The Shareholders*

Guernsey resident investors will be subject to Guernsey tax at 20 per cent. on distributions from the Company. If any Guernsey resident investor owns one per cent or more of the Company, they will be liable to Guernsey income tax on their share of any investment income prior to actual distribution. The Company would in this event have to account for Guernsey tax at 20 per cent. in respect of what would be a "deemed" distribution of income on behalf of the Guernsey resident investor. Any prospective Guernsey resident investor should consult their own tax adviser immediately

17.2.3 *Withholding tax*

Withholding tax would not apply to liquidation proceeds in the event that the Company is wound up; except to the extent that a share of the liquidation proceeds are attributable to Guernsey resident investors holding one per cent. or more.

17.2.4 *EU savings tax directive*

Although not a member state of the European Union, Guernsey, in common with certain other jurisdictions has agreed to apply equivalent measures to those contained in the EU Savings Tax Directive (2003/48/EC), with the exception that the EU resident individual to whom interest is paid will suffer a retention tax on such payment (currently set at a rate of 15 per cent.) where they have not agreed to exchange certain information about their identity, residence and savings income with the tax authorities in their member state of residence. As the Company will not be

regarded as an undertaking that is equivalent to a UCITS authorised in accordance with EC Directive 85/611/EEC, no retentions or exchanges of information under the EU Savings Tax Directive as implemented in Guernsey are expected to apply to holdings of Ordinary Shares where payments in respect of such holdings are made by a Guernsey paying agent.

17.2.5 *Document duty*

Document duty in Guernsey is calculated at the rate of 0.5 per cent. and is payable on incorporation on the nominal value of the authorised share capital of the Company up to a maximum amount of duty of £5,000 for each company.

17.3 ***UK taxation***

17.3.1 *General*

The comments below are based on the current UK tax law and current published practice of HM Revenue and Customs ("HMRC") at the date of this document, all of which are subject to change, possibly with retrospective effect.

The following paragraphs are intended as a general guide to the UK taxation of shareholders who are resident and ordinarily resident in the UK for tax purposes, who are the beneficial owners of Ordinary Shares and who hold Ordinary Shares as investments and not as securities to be realised in the course of a trade. The paragraphs below do not constitute advice to any prospective investor on their personal tax position. Any prospective purchaser of Ordinary Shares who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his/her own professional adviser immediately.

17.3.2 *The Company*

It is the intention of the Directors to conduct the affairs of the Group so that (i) the management and control of the Company and each member of the Group is not exercised in the UK and neither the Company nor any other member of the Group is resident in the UK for taxation purposes; and (ii) so that neither the Company nor any other member of the Group carries on any trade in the UK (whether or not through a permanent establishment situated there). Provided that the affairs of the Group are so conducted, the Company will not be liable for UK taxation on its income or gains unless those income or gains are derived from a UK source.

17.3.3 *The Shareholders*

(a) **Dividend distributions**

UK resident and domiciled Shareholders will be liable to income tax on dividends distributed by the Company. Post 5 April 2008, the tax position of UK resident non domiciled Shareholders will depend of such shareholders individual circumstances. Proposed legislation due to be enacted during 2008 and 2009 would give UK resident investors a tax credit of 10 per cent., to cover the basic rate tax liability on dividends received from overseas resident companies. The full details of this new legislation have not yet been published and it is not yet clear whether this would apply to dividends received from Chariot. Shareholders should seek taxation advice from their advisers once the details of the legislation are enacted. The income tax charge in respect of dividends received by UK resident and domiciled Shareholders, other than higher rate taxpayers, will be at the rate of 10 per cent. A higher rate taxpayer will be liable to income tax on dividends received from the Company at the rate of 32.5 per cent. (to the extent that, taking the dividend as the top slice of income, it falls above the threshold for the higher rate of income tax). UK resident Shareholders who are not liable to income tax on their income will not be subject to a tax on dividends. Such shareholders should obtain their own tax advice.

Persons who are not tax resident in the UK should consult their own tax advisers on the possible application of relevant overseas taxation provisions and whether relief or credit may be claimed in the jurisdiction in which they are tax resident. UK resident corporate holders of Ordinary Shares will be liable to corporation tax on dividends received from the Company.

(b) **Capital gains**

Any gains on disposals by UK resident or ordinarily resident holders of Ordinary Shares may, depending on their individual circumstances, give rise to a liability to UK taxation on capital gains. An individual should consult his or her professional adviser if in doubt as to his/her tax position. Special rules apply to disposals by individuals at a time they are temporarily not resident and not ordinarily resident in the UK.

Companies realising gains on disposals of shares in the Company will be eligible for indexation allowance. For trading companies or a member of a trading group disposing of shares, the substantial shareholding rules may apply. These may allow companies that own not less than ten per cent. of a company's share capital to make exempt gains on the disposal of shares subject to detailed conditions regarding, among other things, the status of the Company and the length of time for which the shares have been held being met. Capital losses realised on such shareholdings will not be allowable.

(c) **Anti-avoidance provisions**

The attention of individuals ordinarily resident in the UK is drawn to the revised provisions of sections 720, 727 and 737 of the Income Tax Act 2007, which are designed to prevent the avoidance by such individuals of liability to income tax by means of transfers of assets by virtue or in consequence of which income becomes payable to persons resident or domiciled outside the UK. Under these provisions, income accruing to the Company may be attributed to Shareholders ordinarily resident in the UK, and may (in certain circumstances) be subject to UK income tax in the hands of the Shareholder. Any shareholder who considers that these provisions may apply to them should consult their own professional adviser.

In the event that the Company would be treated as "close" if it were resident in the UK, then part of any chargeable gain accruing to the Company may be attributed to a UK resident Shareholder and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the Shareholder (section 13 of the UK Taxation of Chargeable Gains Act 1992).

(d) **Inheritance tax**

The Ordinary Shares will not be treated as UK situs assets for the purposes of UK inheritance tax. A gift of shares by, or the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax. A liability to UK inheritance tax is unlikely to arise if the transferor is neither domiciled, nor deemed to be domiciled in the UK.

(e) **UK stamp duty and UK stamp duty reserve tax ("SDRT")**

The following comments are intended as a guide to the general stamp duty and SDRT legislation and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply. No UK stamp duty, or UK SDRT, will be payable on the issue of the Placing Shares. UK stamp duty (at a rate of 0.5 per cent. of the amount of the value of the consideration for the transfer, rounded up where necessary to the nearest £5) may be payable on any transfer or sale of Ordinary Shares executed in

the UK or which relates to something done or to be done in the UK. Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company, and this is intended, any agreement to transfer the Ordinary Shares will not be subject to UK SDRT.

17.4 ***Namibia taxation***

17.4.1 *General*

The comments below are based on current Namibian tax law at the date of this document and is subject to change.

17.4.2 *The Company*

Petroleum income tax is payable at a rate of 35 per cent. of taxable income. Licence areas are assessed separately and losses cannot be set off against profits in other areas.

Gross income excludes amounts of a capital nature. There are a number of specific items that are included, the most common of which is amounts received or accrued in or outside Namibia in respect of petroleum produced, saved and delivered during the tax year and disposed of under an arm's length sale. Any proceeds for the disposal of "capital expenditure" assets which recovers claims previously made and the sale of petroleum information are also included.

In order to be deductible, expenditure must be incurred in respect of all the licence area generating the gross income against which it is to be deducted. Specific provision is made for a number of deductions, including interest on borrowings employed in connection with the licence area concerned.

There are a number of expenses that may not be deducted. For example, rental or similar charges in respect of land and buildings may not be deducted unless occupied for the purposes of carrying out production operations in or in connection with a licence area.

All oil and gas companies are entitled to claim capital expenses (sub-categorised as exploration and development expenditure) as deductions in the determination of their taxable income in respect of pre-production exploration expenditure, being specified expenditure attributable to operations carried out for the exploration for oil and gas, is fully deductible in the first year of production.

Subsequent exploration expenditure is not ring-fenced and is fully deductible in the year that it is incurred, so that profits arising from existing operations can be used to fund further exploration.

Initial and subsequent development costs are deductible in equal installments over three years.

Assessed losses may be carried forward, but losses incurred in one licence area may not be offset against taxable income in another area or income from other operations. Additional Profits Tax (APT) calculated according to a complex formula will also arise under certain circumstances. Other income will be taxed in Namibia at a rate of 35 per cent., after allowance for trade expenses.

17.4.3 *Dividend distributions to intermediate holding company*

Where a Namibian resident company declares a dividend to a non-resident shareholder, the company must withhold 10 per cent. of the amount of the dividend as non-resident shareholders tax ("NRST"). The NRST may be limited in terms of any double tax treaty between Namibia and the shareholder's country of residence. There is no withholding tax levied on dividends paid out of oil and gas revenues.

17.5 ***Taxation of the Company***

It is the intention of the Directors to conduct the affairs of the Company so that it does not become resident for taxation purposes in the UK, Ireland, Canada or any other jurisdiction outside the Island of Guernsey and so that it does not carry out any trade in the UK, Ireland, Canada or any other jurisdiction outside the Island of Guernsey (whether or not through a permanent establishment situated therein).

The Group's underlying business is conducted through subsidiary companies in Namibia and the British Virgin Islands. The Directors intend to organise the Group's affairs so as to minimise, through appropriate planning, the incidence of taxation arising.

If you are in any doubt as to your tax position you should consult your professional adviser.

18. General

18.1 The gross proceeds of the Placing are expected to be approximately £45 million. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £4.5 million (excluding value added tax, if any). The net proceeds of the Placing receivable by the Company are expected to be £40.5 million.

18.2 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

18.3 BDO Stoy Hayward LLP has given and not withdrawn its written consent to the inclusion in this document of its reports set out herein in the form and context in which they appear.

18.4 BMO has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

18.5 High Resolution Technology & Petroleum Ltda, of Av. Atlantica, 1130/7° andar, Copacabana, CEP 22021-00, Rio de Janeiro, Brazil is responsible for the preparation of the report included at Part 4 of this Admission Document. This report was prepared at the request of the Company. The Competent Person has given and not withdrawn its written consent to the inclusion in this document of the report, in the form and context in which it is included. The Competent Person has no interest in the share capital of the Group.

18.6 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18.7 The accounting reference date of the Company is 28 February.

18.8 The Placing Price represents a premium over the nominal value of 129p per Ordinary Share.

18.9 In respect of uncertificated shares it is expected that Shareholders' CREST stock accounts will be credited on Admission. It is expected that definitive share certificates will be dispatched by hand or first class post by 2 June 2008.

18.10 Save as is disclosed in this document, the Company is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

18.11 Save as disclosed herein, no person directly or indirectly (other than the Company's professional advisors and trade suppliers or save as disclosed in this document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisors otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value

of £10,000 or more or securities in the Company to such value or any other benefit to such value or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

19. Availability of Admission document

Copies of this Admission Document are available free of charge from the Company's registered office and at the offices of Memery Crystal LLP of 44 Southampton Buildings, London WC2A 1AP, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 13 May 2008

DEFINITIONS

"Act"	The Companies (Guernsey) Law, 1994 (as amended)
"Admission"	The admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	The AIM market of the London Stock Exchange
"AIM Rules"	The AIM Rules for Companies and the AIM Rules for Nominated Advisers published from time to time by the London Stock Exchange
"AIM Rules for Companies"	The AIM Rules for Companies as published by the London Stock Exchange from time to time
"Al Rajhi"	Al Rajhi Holdings W.L.L.
"Articles"	The articles of association of the Company, as amended from time to time
"Blocks"	The blocks, as specified in the Republic of Namibia (Exploration and Production) Act 1991 and held pursuant to the Licences
"Broker" or **"BMO"**	BMO Capital Markets Limited
"Business Day"	Any day (other than a Saturday or Sunday) on which clearing banks in City of London and Guernsey are open for business
"Chariot" or **"Company"**	Chariot Oil & Gas Limited, a company incorporated in Guernsey with limited liability under the Act with registration number 47532
"Chariot Investments"	Chariot Oil & Gas Investments (Namibia) Limited, a company incorporated in Guernsey with limited liability under the Act with registration number 47533
"Combined Code"	The combined code on corporate governance and published by the UK Financial Reporting Council, as amended from time to time
"Commissioner"	The Commissioner of the MME
"CREST"	The computerised settlement system (being the relevant system as defined in the CREST Regulations) to facilitate the transfer of title of shares in uncertificated form operated by Euroclear
"CREST Regulations"	The Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"Directors" or **"Board"**	The directors of the Company and any duly constituted committee of the board of directors from time to time
"DTR"	The Disclosure and Transparency Rules published by the FSA from time to time
"Enigma"	Enigma Oil & Gas Exploration (Pty) Limited, a company incorporated and registered in Namibia with registration number 2003-589
"Enlarged Share Capital"	The issued share capital of the Company immediately following Admission (assuming (1) all of the Placing Shares are allotted and issued, (2) conversion of all of the Loan Notes and (3) issue of Ordinary Shares to Onslow)

"Euroclear"	Euroclear UK & Ireland Limited
"FSMA"	The Financial Services and Markets Act 2000 of the United Kingdom, as amended or supplemented from time to time
"FSA"	The Financial Services Authority of the United Kingdom
"GFSC"	The Guernsey Financial Services Commission
"Greendale"	Greendale Universal Holdings Limited, a company incorporated and registered in the British Virgin Islands with registration number 593 378
"Group"	The Company and its subsidiaries
"HRT Petroleum", "HRT" or **"Competent Person"**	High Resolution Technology & Petroleum Ltda, the Company's technical consultant
"IFRS"	International Financial Reporting Standards
"ICM"	International Consultancy and Marketing SA, a company incorporated in the British Virgin Islands
"KPMG Corporate Finance" or **"Nominated Adviser"**	KPMG Corporate Finance, a division of KPMG LLP which is authorised and regulated by the FSA for investment business activities. KPMG LLP is registered in England with number OC 301540 and has its registered office at 8 Salisbury Square, London EC4Y 8BB, United Kingdom
"Licences"	The onshore and offshore exploration licences issued by the MME held by the Group and summarised in Part 3 of this document
"Lock-in Period"	The period of twelve months from Admission until the first anniversary of Admission
"Loan Notes"	The £3.713 million convertible loan notes issued by the Company to investors in February and March 2008 details of which are summarised in paragraph 11.11 and 11.12 of Part 7 of this document
"Loan Note Holders"	The holders of the Loan Notes
"London Stock Exchange"	London Stock Exchange plc
"Memorandum"	The memorandum of association of the Company, as amended from time to time
"Minister"	The Minister of the MME
"MME"	The Ministry of Mines and Energy of the Namibian Government
"Namquest"	Namquest Oil & Gas plc, a public limited company incorporated in England and Wales and with limited liability with registration number 6216183
"N$" or **"NAD"**	Namibian dollars
"Onslow"	Onslow Resources plc, a company incorporated in England and Wales with limited liability and registered number 05592169
"Official List"	The Offical List of the UK Listing Authority
"Ordinary Shares"	The ordinary shares of 1p par value in the capital of the Company
"Panel"	The UK Panel on Takeovers and Mergers

"Petrofund"	a trust fund established to support the training scheme of the MME known as the Petroleum Education and Training Fund
"Petroleum Act"	The Namibian Petroleum Act 1991
"Petroleum Agreements"	The agreements between Enigma and the MME, which relate to the Licences and which are summarised in Part 3 of this document
"Placing"	The placing of up to 34,615,000 million Placing Shares by BMO at the Placing Price pursuant to the Placing Agreement
"Placing Agreement"	The agreement dated 13 May 2008 between the Company, the Directors, KPMG Corporate Finance and BMO, pursuant to which BMO agrees to procure subscribers for the Placing Shares
"Placing Price"	The price at which each Ordinary Share is to be issued pursuant to the Placing, being 130 pence
"Placing Shares"	34,615,000 Ordinary Shares to be issued by the Company pursuant to the Placing
"Plan Options"	Options granted pursuant to the Plans
"Plans"	The Chariot Oil & Gas Limited Share Option Part A Plan (employees only) and the Chariot Oil & Gas Limited Global Share Option Part B Plan (including consultants and non-employees) adopted by the Board on 8 April 2008
"Pre-IPO Placing Agreements"	Those agreements dated 13 February 2008 and 27 March 2008 between the Company, the directors at such time and BMO pursuant to which BMO procured subscribers for the Loan Notes referred to at paragraph 11.11 of Part 7 of this document
"Protech"	Protech Namibia (Pty) Limited, a company incorporated in Namibia, of which Heindrich Ndume is the Sole Shareholder
"Registrar"	Anson Registrars Limited
"Registrar Agreement"	The agreement dated 7 May 2008 between the Company and the Registrar, pursuant to which the Registrar provides registrar services to the Company
"Regulation S"	A regulation under the Securities Act of 1993 which exempts from registration certain offers and sales of securities made outside of the United State by USA or foreign issuers
"Shareholder"	A person recorded in the Company's register of shareholders as a holder of Ordinary Shares
"Shareholder Loans"	The loans, made by Westward and ICM to Enigma equating to US$1.6 million and US$1.4 million respectively, further details of which are set out at paragraph 11.8 of Part 7
"Shareholding"	A holding of Ordinary Shares
"Sirius"	Sirius Resources Fund 1 Limited
"**South Atlantic Margins**"	continental margins comprising South African and South American margins in the South Atlantic Ocean
"Sterling" or **"£"**	The lawful currency of the United Kingdom
"Substantial Shareholders"	A Shareholder of ten per cent. or more of the Enlarged Share Capital

"Takeover Code"	The UK City Code on Takeovers and Mergers
"Taxes Act"	The Income and Corporation Taxes Act 1988 of the United Kingdom, as amended
"Warrants"	warrants to subscribe for Ordinary Shares
"Westward"	Westward Investments Limited, a company incorporated in the British Virgin Islands, which is owned by a discretionary trust of which Adonis Pouroulis is one of a number of beneficiaries
"United Kingdom" or **"UK"**	The United Kingdom of Great Britain and Northern Ireland
"US $"** or **"$"	The lawful currency of the United States of America
"US Securities Act"	United States Securities Act of 1933, as amended

GLOSSARY

The following technical terms are used in this document. Grammatical variations of these terms should be interpreted in the same way.

"**2D seismic**"	data acquired in a grid of lines that is relatively broad spaced and is processed in two dimensions
"**3D seismic**"	data acquired in a grid that is relatively close-spaced and dense and is processed in three dimensions
"**Adiastrophic**" ***(tectonism)***	the process by which sedimentary rocks are deformed (by faults, for instance) without the involvement of the entire crust basement. This kind of deformation is the result of mass displacement within the sedimentary basin which can be caused by, for instance, salt movements or mass movements allowed by the free surface of a sea bottom
"**Albian**"	geological stage between 112 and 99.6 million years ago. Albian is present in lower Cretaceous (USGS geological time scale)
"**Amplitude anomaly**"	it is an abrupt increase in seismic amplitude that might indicate the presence of hydrocarbons, although such anomalies can also result from processing problems, geometric or velocity focusing or changes in lithology. Amplitude anomalies that indicate the presence of hydrocarbons can result from sudden changes in acoustic impedance, such as a gas sand underlying a shale, and in that case, the term is used synonymously with hydrocarbon indicator
"**Aptian**"	geological stage between 125 and 112 million years ago. Albian is present in lower Cretaceous (USGS geological time scale)
"**Barrel**"	unit of volume measurement used for petroleum and its products (6.29 barrels = 1 cubic meter). "bbl" one barrel of oil; 1 barrel = 35 Imperial gallons (approx.), or 159 litres (approx.); 7.5 barrels = 1 tonne (approximately depending upon the oil density)
"**Barremian**"	geological stage between 130 and 125 million years ago. Barremian is present in Lower Cretaceous (USGS geological time scale)
"**basin**"	a relative depression in the Earth's surface containing layered sedimentary rocks
"**basin modelling**"	term broadly applied to a group of geological disciplines that can be used to analyze quantitatively the formation and evolution of sedimentary basins, often but not exclusively to aid evaluation of potential hydrocarbon reserves
"**Biomarkers**"	are any of a suite of chemical compounds (and physical and geochemical characteristics thereof) that may indicate biological involvement in the formation of petroleum. They are complex molecules derived from formerly living organisms and have signatures in naturally occurring oil deposits that aid in defining the maturation state and origin of the petroleum
"**Biostratigraphy**"	branch of stratigraphy which focuses on correlating and assigning relative ages of rock strata by using the fossil assemblages contained within them

"**Black oil**"	a denomination for the fluids that were sourced in the oil-window stage
"**Block**"	commonly used to describe contract areas or tract, as in "Block of land"
"**Cenomanian**"	geological stage between 99.6 and 93.5 million years ago. Cenomanian is present in Upper Cretaceous (USGS geological time scale)
"**Condensate**"	hydrocarbons that are in the liquid state under reservoir conditions and that become gaseous when temperature or pressure is reduced. A mixture of pentanes and higher hydrocarbons
"**Conjugate Margin**"	used to describe continental margins (i.e. South Atlantic Margin) that were Contigious in the geological past and at present day shown structural and Bio/Cronostratigraphic correlation
"**Cracking"** ***(oil cracking)***	the process by which chains of hydrocarbons are converted to shorter chain lengths by thermal and chemical alteration
"**Cretaceous**"	geological period between 145.5 and 65.5 million years ago. It is present in Mesozoic (USGS geological time scale)
"**CSIA-B**"	a geochemistry analysis of compound specific isotope analysis of biomarkers
"**CSIA-D**"	a geochemistry analysis of compound specific isotope analysis of diamondoids. It is a technology to establish the degree of oil to gas cracking and to correlate the cracked portion of the oil with a specific source rock
"**Deep water wells**"	wells at more than 500m water depth and less than 1500m
"**Depositional environment**"	the area in the Earth's surface where sediments are deposited and undergo the action of different physical processes such as wind, water or ice; and by the conditions of the location and its climate, such as desert, swamp or river
"**Deterministic**"	it is the supposition that all geological events involved in a petroleum system have a cause and effect and that they can be described by physical and mathematical laws. It supposes that precise combination of the geological events at a particular time engender a particular outcome, therefore determinism has a direct relationship with predictability
"**Diamondoids**"	in the context of classical chemistry, they refer to variants of the carbon cage molecule known as adamantane, the smallest unit cage structure of the diamond crystal lattice. Diamondoids also known as nanodiamonds or condensed adamantanes may include one or more cages (adamantane, diamantane, triamantane, and higher polymantanes) as well as numerous isomeric and structural variants of adamantanes and polymantanes. These diamondoids occur naturally in petroleum deposits
"**Dip**"	inclination of a horizontal structure from the horizontal
"**Discovery**"	petroleum having been detected in a exploration well
"**Drift sequence**"	refers to the marine sedimentary deposits that are younger than the evaporitic layers that occur in the South Atlantic marginal basins

"**Eolian**" ***(in rocks)***	the sedimentary deposits formed by the action of winds
"**Evaporite**"	a class of sedimentary minerals and sedimentary rocks that form by precipitation from evaporating aqueous fluid
"**Exploration well**"	a well drilled in an attempt to determine conclusively the presence or absence of hydrocarbons
"**Facies**"	the characteristics of a rock unit that reflect its origin and permit its differentiation from other rock units around it
"**Fault**"	a break in the earth's crust where there has been displacement of one side relative to the other. Sometimes a layer of non-porous rock may be next to an oil-bearing porous interval along a fault and form a trap for the oil
"**Field**"	geographical area under which an oil or gas reservoir lies
"**Flexural subsidence**"	the mechanism and style by which the surface of a sedimentary basin deforms in response to regional geological forces (mechanical or thermal). It is characterized by a regional wavelength and by the almost complete lack of faults
"**Formation**"	a certain succession of sedimentary layers that predominantly describe one type or combination of them
"**Gas chromatography**	a geochemical method that combines the features of gas-liquid chromatography (GC) and mass spectrometry (MS) to identify different substances within a test sample
"**Gas field**"	a field containing natural gaseous hydrocarbons but no liquid ones
"**Gas-prone**	the tendency of a basin to contain or organic matter to produce gaseous hydrocarbons
"**Gas window**"	a given depth range of a sedimentary basin that reached a certain thermal and maturity state enough to produce gas
"**Geochemistry**"	study of the chemical composition of the Earth and other planets, chemical processes and reactions that govern the composition of rocks and soils, and the cycles of matter and energy that transport the Earth's chemical components in time and space, and their interaction with the hydrosphere and the atmosphere
"**Geophysical**"	measurement of the earth's physical properties to explore and delineate hydrocarbons by means of electrical, seismic, gravity and magnetic methods
"**Graben**"	fault-elongated trough or Block of rock, down-thrown on both sides
"**Gravimetry**"	method that measures the gravitational field of the Earth
"**Heat flow**"	the amount of heat that flows through a unit area in the Earth Surface. It is measured in 10^{-3} Watts/m^2
"**Isobath**"	a contour line connecting points of equal water depths on a chart
"**Isotopes**"	any of the different forms of an element each having different atomic mass (mass number). Isotopes of an element have nuclei with the same number of protons (the same atomic number) but different numbers of neutrons. Therefore, isotopes have different mass numbers, which give the total number of nucleons—the number of protons plus neutrons

"**Hydrocarbon**"	compound containing only the elements hydrogen and carbon. The term is mainly used in a catch-all sense for oil, gas and condensate
"**Jurassic**"	geological period between 199.6 and 145.5 million years ago. It is present in Mesozoic (USGS geological time scale)
"**Lacustrine**"	the sedimentary environment of a lake
"**Latin Hypercube**"	in the context of statistical sampling, a square grid containing sample positions is a latin square if (and only if) there is only one sample in each row and each column. A latin hypercube is the generalisation of this concept to an arbitrary number of dimensions, whereby each sample is the only one in each axis-aligned hyperplane containing it
"**Lead**"	a project associated with a potential hydrocarbon accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a Prospect
"**Light oil**"	crude oil with a low wax content
"**Listric faults**"	a geological normal fault that is characterized by a curved shape in a 2D section
"**Maastrichtian**"	geological stage between 70.6 and 65.5 milion years ago. It is present in Upper Cretaceous (USGS geological time scale)
"**Magnetic-teluric method**"	a geophysical method that measures the natural electromagnetic field of the Earth
"**Marine anoxic**	(in formation of source rocks) the condition that occurs when the Earth's oceans become completely depleted of oxygen (O2) below the sea surface. These conditions are favourable for the preservation of marine source rocks
"**Mature source rock**"	it is the thermal state that is favorable to the formation of hydrocarbons from the organic matter of a source rock
"**Mesozoic**"	geological era between 251 and 65.5 million years ago. Includes Cretaceous, Jurassic and Triassic periods (USGS geological time scale)
"**Miocene**"	geological Epoch between 23.03 and 5.33 million years ago. It's in Neogene period (USGS geological time scale)
"**Migration pathways**"	preferential passageways in sedimentary rocks along which hydrocarbons move due to higher permeabilities or discontinuities (ex: fractures)
"mmbbl"	million barrels of oil
"**Mud**"	(as in drilling mud) mixture of base substance and additives used to lubricate the drill bit and to counteract the natural pressure of the formation. In sea mud (or mud line) it refers to the surface of the sea bottom on to which fine grain sediments deposit
"**Natural gas**"	gas that occurs naturally in the gaseous state
"**Neocomian**"	geological stage between 145.5 and 136.4 million years ago
"**Net pay**"	total thickness of hydrocarbon bearing sediments that is classified as reservoir

"**Normal faults**	a discontinuity that separates Blocks (upper and lower Blocks) that have been displaced with respect to the other. They form under a tensional force field
"**Oil**"	mixture of liquid hydrocarbons of different molecular weights
"**Oil field**"	geographic area under which an oil reservoir lies
"**Oil prone**"	the quality of a source rock that makes it more likely to generate oil than gas
"**Oil mix**"	mixture of liquid hydrocarbons from different source rocks
"**Oil slick**"	layer of oil floating on sea water
"**Oil window**"	it is a given depth range inside a sedimentary basin that reached a certain thermal and maturity state enough to produce liquid hydrocarbons
"**Operator**"	company that has legal authority to undertake petroleum operations
"**Organic facies**	they are rocks of a sedimentary environment defined by physical and geochemical characteristics
"**Paleoenvironments**	is a terminology that refers to the past setting of a given area that comprised several physical conditions that occurred naturally on earth
"**Paleocene**"	geological epoch between 65.5 and 55.8 million years ago (USGS geological time scale)
"**Paleozoid**"	geological era between 542 and 251 million years ago. Includes the Permian, Carboniferous, Devonian, Silurian, Ordovician and Cambrian periods (USGS geological time scale)
"**Permeability**"	property of a formation which quantifies the easiness that a fluid can flow through the pore spaces and into the wellbore
"**Permian**"	geological period between 250 to 295 million years ago
"**Petroleum**"	generic name for hydrocarbons, including crude oil, natural gas, liquids and their products
"**Petroleum system**"	it is a terminology that encompasses rocks (reservoirs, seals, source rocks), fluids (hydrocarbons), geometry of sedimentary layers (to form traps) and processes (timing; petroleum generation and migration) that define the characteristics of a hydrocarbon accumulation
"**Pinch-out**"	a geometrical description of sedimentary layers whose thickness change laterally in a way that the rocks form wedges inside bedding
"**Play**"	a conceptual model for a style of hydrocarbon accumulation used by explorationists to develop Prospects in a basin, region or trend and used by development personnel to continue exploiting a given trend
"**Pod**" ***(as in source rock pod)***	a region of a sedimentary basin that contains hydrocarbon source rocks and reached a thermal to expel petroleum
"**Pool**"	individual and separate accumulation of petroleum in a reservoir
"**Porosity**"	percentage of void in a porous rock compared to the total rock volume

"**Probabilistic**"	method of estimating an uncertain outcome whereby a range of values is used for each parameter in a calculation
"**Progradation**"	the accumulation of sequences by deposition in which beds are deposited successively basinward because sediment supply exceeds accommodation
"**Prospect**"	a geological or geophysical feature or anomaly that has been surveyed and characterized, usually by seismic data, to a degree that its configuration is fairly well established and that is considered potentially to have a hydrocarbon accumulation, or a project associated with a potential hydrocarbon accumulation that is sufficiently well defined to represent a viable drilling target
"**PSDM**"	pre-stack depth migration – Advanced Processing method that converts usual seismic data into depth migrated seismic data , providing better imaging of the subsurface features
"**Quick Look**"	a preliminary stage of selection of low resolution satellite images
"**RADARSAT**"	earth observation satellite developed to monitor environmental changes and the planet´s natural resources
"**Recovery factor**"	the fraction of hydrocarbons that can or has been produced from a well, reservoir or field
"**Recent**"	geological event or rocks younger than the Pliocene epoch, that is younger than 5.33 million years before the present (USGS geological time scale)
"**Remote Sensing**" ***(as in satellite remote sensing)***	the term generally refers to the use of imaging sensor technologies including but not limited to the use of instruments aboard aircraft and spacecraft. It is an acquisition of information of an object or phenomenon that is not in physical or intimate contact with the devices
"**Reserves**"	the amount of economically recoverable oil or gas in a particular reservoir that is available for production
"**Reservoir**"	the underground formation where oil and gas has accumulated. It consists of a porous and permeable rock to hold the oil or gas, and a cap rock that prevents its escape
"**Rift**"	region in which the earth's crust is pulling apart and creating normal faults and down-dropped areas or subsidence
"**Sag phase**"	a sedimentary succession which thickens to the basin centre and is characterized by the lack of faults. It can be bounded by unconformities (in the top and bottom). It is typical of intracratonic basins but it is not exclusive to them
"**Sandstone**"	sedimentary rock composed mainly of sand-size mineral or rock grains
"**Santonian**"	geological stage between 85.8 and 83.5 million years ago. It is present in Upper Cretaceous (USGS geological time scale)
"**Seal**"	a relatively impermeable rock, commonly shale, anhydrite or salt, that forms a barrier or cap above and around reservoir rock such that fluids cannot migrate beyond the reservoir

"**Seeps**" ***(oil seeps)***	natural springs where liquid and gaseous hydrocarbons leak out of the ground
"**Shale**	a fine-grained sedimentary rock which original constituents were clay minerals or muds
"**Spill point**"	the lowest point structurally in a hydrocarbon trap that can retain hydrocarbons
"**Stratigraphic trap**"	mode of trapping hydrocarbons which is not dependent on structural entrapment but mostly on lateral changes in rock properties that can seal a reservoir
"**Strike Slip Faults**	a type of fault whose surface is typically vertical or nearly so. The motion along a strike-slip fault is parallel to the strike of the fault surface, and the fault Blocks move sideways past each other
"**Structural high**"	area where rocks have been elevated due to tectonic activity
"**Source rock**"	a rock rich in organic matter which, if heated sufficiently, will generate oil or gas. Typical source rocks, usually shales or limestones, contain about 1 per cent. organic matter and at least 0.5 per cent. total organic carbon (TOC), although a rich source rock might have as much as 10 per cent. organic matter
"**TD**"	is total depth of a well, when drilling has finished
"**Thermal cracking**"	process of splitting a large heavy hydrocarbon molecule into smaller or lighter components as the temperature rises
"**Thermal evolution**"	temperature variation that the petroleum has experienced with time
"**TOC"** ***(Total Organic carbon)***	the mass of carbon with respect to the total mass of source rock. It is specifically the amount of carbon covalently bonded in organic molecules
"**Transform faults**"	a physical surface (discontinuity in rocks) that is characterized to be nearly vertical and to have large horizontal displacements
"**Transgression**"	an event during which sea level rises relative to the land, resulting in coastal flooding
"**Transitional sequence**"	a succession of sedimentary rocks that overly typical rift sequences and evaporites in the south Atlantic marginal basins
"**Trap**"	a configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate
"**Turbidite**"	sedimentary deposits formed by turbidity currents in deep water at the base of the continental slope and on the abyssal plain
"**Turonian**"	geological stage between 93.5 and 89.3 million years ago. It is present in Upper Cretaceous (USGS geological time scale)
"**unconformity**	a buried surface separating two rock masses or strata of different ages, indicating that sediment deposition was not continuous. In general, the older layer was exposed to erosion for an interval of time before deposition of the younger, but the term is used to describe any break in the sedimentary geologic record

"**vitrinite reflectance"** ***(%Ro)***	an optical property of vitrinite (a kind of organic matter) which is used as an indicator of maturity in hydrocarbon source rocks
"**ZIFTT**"	zone of incidence of transtensional faults
"**zone**"	general term meaning an interval or unit of rock. A zone in a well would be an interval typically defined by a top and bottom depth. A fault zone would be the unit of rock associated and the area around a fault