25 June 2021

Chariot Limited

("Chariot", the "Company")

2020 Final Results

Chariot (AIM: CHAR), the Africa focused transitional energy company, today announces its audited final results for the year ended 31 December 2020.

2020 and Post Period Highlights

Building an African focused Transitional Energy Group

- Strategy updated with new mission to have a positive impact on the environment, the countries and the communities that we operate in.
- Name changed to Chariot Ltd and rebranding under the strapline Chariot Transitional Energy, with a focus on Africa through the twin business streams of Transitional Gas and Transitional Power.
- Transitional Gas holds the Moroccan licences Lixus Offshore, containing the Anchois gas development, and the soon to be formally awarded Rissana Offshore, with operatorship and 75% working interest.
- Transitional Power, a second business stream, launched in Q1 2021 with the acquisition of African Energy Management Platform ("AEMP"). The recently completed acquisition, initially looks to transform the energy market for mining operations in Africa, providing a giant largely untapped market with cleaner, sustainable, and more reliable power.
- Recapitalised Company through successful placing, subscription and open offer, raising net US$18.8 million in Q2 2021 with a further US$4.2 million underwritten by Magna Capital LDA (of which Adonis Pouroulis is a substantial shareholder); funded to progress both business streams.

Transitional Gas

- Anchois appraisal drilling planned for Q4 2021 with 3 distinct objectives: (1) reconfirm the original discovery A&B sands; (2) provide a producer well location to be suspended for future use; (3) potentially drill the additional prospective sands and potentially establish a larger resource base for longer term growth.
- Rig tender process underway; assembling key team members from the 2018 drilling campaign that delivered a well on time and within budget.
- The Anchois gas development's 2C base case resource has a net NPV10 of approx. US$500 million with an IRR in excess of 30% yielding expected annual revenues of up to US$200 million.
- Reprocessing of 3D seismic data across Lixus completed; Upgrade of audited total remaining recoverable resource to in excess of 1 Tcf for Anchois, representing a 148% increase (comprising 361 Bcf 2C contingent resources and 690 2U prospective resources).
- Expression of Interest Letters to debt finance the development received from African Finance Corporation ("AFC"), a pan-African multilateral development financial institution with over US$6 billion in assets, and a major multinational investment bank, which is a leading provider of finance in the energy sector.
- Key terms agreed on new Rissana Offshore Licence, Morocco, with formal award expected in 2021, capturing prospective acreage surrounding the core Anchois development.
- Collaboration agreement with Subsea Integration Alliance signed in February 2021, a developer of offshore gas projects, to progress the front-end design, engineering, procurement, construction, installation and operation of the Anchois Gas Development.
- Gas Market Memorandum of Understanding ("MOU") signed in March 2021 with partner the Office National des Hydrocarbures et des Mines ("ONHYM") and the Ministry of Industry, Trade and Green and Digital Economy ("Ministry") in Morocco to support the Anchois Gas Development.

Transitional Power

- Acquisition completed in Q2 2021 of AEMP for consideration of up to US$2 million payable primarily in Chariot Ordinary Shares.
- Whole AEMP team to join Chariot, including founders Benoit Garrivier and Laurent Coche who become shareholders in Chariot.
- Acquisition meets Chariot's key environmental, social and corporate governance ("ESG") values of positive impact on the environment, countries, and communities where it operates.
- Right to invest in up to 15% project equity at cost in projects developed in strategic partnership with Total Eren, a global renewable IPP to develop low-risk mining power projects in Africa.
- Partnership has built a pipeline of 500MW of African mining power projects; Chariot's management is also looking to leverage its other significant business interests in multiple mining operations across Africa to rapidly grow the pipeline and scale-up.
- Recovery of overhead costs as part of the partnership provides an immediate post-acquisition revenue stream to finance ongoing costs.
- First project in operation, the largest hybrid solar plant in Africa, at the Essakane gold mine in Burkina Faso, successfully completed and currently generating returns providing proof of concept.
- Funded for next project, expected to reach financial completion in the near term.

Other licences:

As announced in September 2020, the Company will likely only proceed with exploration if nearby adjacent drilling de-risks the basin sufficiently to generate partnering.

- Non-cash impairments of US$66.7 million made in respect of Namibia and Brazil and US$0.5 million. against remaining drilling inventory reflective of change in strategic direction and Management's approach to non-core assets in the current challenging market environment.
- Whilst fully written down, Chariot has retained its interest in Namibia and Brazil with no work commitments going forward and will continue to host data-rooms for marketing of both assets.

Corporate

- 2020 year-end cash position of US$3.7 million, no debt, with no remaining work commitments.
- Restructuring in April 2020 reduced annual cash overheads from US$4.5 million to US$2.5 million.
- New executive team appointed in July 2020 with Adonis Pouroulis, previously Non-Executive Director and the Company founder, taking over as Acting CEO and both Julian Maurice-Williams and Duncan Wallace joining the Board as executive directors in roles of Chief Financial Officer and Technical Director respectively.
- Moroccan Country Director, Pierre Raillard appointed and local office opened.
- Rebranding completed with name changed to Chariot Ltd under the tagline of "Chariot Transitional Energy" in the post period.

Outlook:

- Secure rig in low cost environment, drill appraisal well on Anchois to confirm resource base and test deeper prospects.
- Strategic partnering on Lixus to share in risks and rewards of high value, low risk gas development project with strong ESG credentials in a fast-growing emerging economy with a clear route to early monetisation.
- Progress near-field Anchois tie-back prospects and Rissana area surrounding Lixus.
- Integration of Transitional Power business, investment in next project in partnership with Total Eren and development of 500MW pipeline with expected conveyor belt of projects.
- Evaluate further value-accretive new ventures in energy transition according to the Company's values.

Adonis Pouroulis, Acting Chief Executive Officer of Chariot, commented:

"We are now entering an exciting and important phase in the growth of the Company. The recently completed fundraising will give us the capital required to turbocharge our growth ambitions and capitalise on the high value opportunities we see in front of us in both our transitional gas and transitional power businesses.

At Anchois, we intend to further progress the commerciality of the licence by drilling an appraisal well. We firmly believe that Anchois ticks a number of boxes when it comes to key investment criteria, such as low project risk, robust potential returns and strong ESG credentials. The focus on transitional energy can be seen clearly at

Anchois, where Chariot has the potential to provide the Kingdom of Morocco with a domestic source natural gas to power and industry, enabling the country to achieve its target of decarbonising its economy and reducing its dependence on imported fuels. We look forward to commencing with the drilling of a safe, efficient and cost-effective appraisal well as fast as practically possible.

The launch of Chariot Transitional Power places the Company in a unique position in the market. This acquisition will see us work with our partner, Total Eren, one of the world's largest players in the renewable energy space, to provide clean, sustainable, and more competitive energy to operational mines in Africa. A market of significant scale, that is largely untapped, where Chariot's management has a deep understanding and high-level commercial networks. As the AEMP team integrates into Chariot, we look forward to investment into the next project with Total Eren and further progress to the strong pipeline of projects in excess of 500MW.

The Board are firmly aligned with shareholders and the Directors of Chariot have subscribed for a material amount of the recent Fundraise. This reinforces not only the Board's belief in the Chariot story, but also its commitment to ensuring that Chariot achieves the growth targets it sets out."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, as retained in the UK pursuant to S3 of the European Union (Withdrawal) Act 2018.

For further information please contact:

Chariot Limited Adonis Pouroulis, Acting CEO Julian Maurice-Williams, CFO	+44 (0)20 7318 0450
finnCap (Nominated Adviser and Joint Broker) Christopher Raggett, Simon Hicks, Edward Whiley	+44 (0)20 7220 0500
Peel Hunt (Joint Broker) Richard Crichton / David McKeown	+44 (0)20 7418 8900
Celicourt Communications (Financial PR) Mark Antelme Jimmy Lea	+44 (0)20 8434 2754

NOTES FOR EDITORS:

About Chariot

Chariot is an African focused transitional energy group with two business streams, Transitional Gas and Power.

Chariot Transitional Gas, is a high value, low risk gas development project with strong ESG credentials in a fast-growing emerging economy with a clear route to early monetisation, delivery of free cashflow and material exploration upside. Chariot Transitional Power, looking to transform the energy market for mining operations in Africa, providing a giant largely untapped market with cleaner, sustainable, and more reliable power.

The ordinary shares of Chariot Limited are admitted to trading on the AIM under the symbol 'CHAR'.

Chariot Limited

Chairman's Statement

Chariot has emerged from the challenges presented in the last 18 months as a diversified, transitional energy company with both a high value gas project in Morocco and an exciting new venture in renewable hybrid energy focused on Africa.

The Company faced significant macro headwinds in 2020 that demanded a transition to a lower cost base at the same time retaining both key skills and operational capabilities. This reorganization crystallized in July 2020 with significant changes to the Board and Executive Team in order to thoughtfully evaluate our portfolio, plans and mission. Through the lens of the fundamental changes in the global energy landscape, we have prioritized our activity in Morocco and committed to further deliver positive transformation in Africa through investment in projects that are driving the energy revolution. This insight has both increased momentum to the Anchois gas development and added a significant focus of the Company to actively pursue investments that promote the ongoing energy transition.

Twin Pillars of Growth

Chariot Transitional Gas and Chariot Transitional Power have been brought together under one umbrella. Both are infrastructure developers in the energy transition space targeting markets with substantial growth potential and a focus on the African continent. The businesses are aligned, complementary and underline the fundamental focus on robust economics and positive impact on the environment, the countries, and the communities where we operate.

In Transitional Gas, the core of the portfolio is the high value Anchois gas discovery on the Lixus Offshore Licence, Morocco. The Board believes this asset is the core of a broad enterprise opportunity that has considerable upside potential and is attractive to a wide range of businesses across the energy value chain. The dedication, commitment, and adaptability of our team, despite significant pandemic challenges has resulted in the acceleration of the Anchois project development timeline. Consequently, the next critical step to first gas and monetization of this asset is the drilling of an appraisal well at the end of 2021. This activity will provide crucial information in support of resource volumes definition and enable, front end engineering design, finalizing of gas sales agreements, and securing project finance. With a material foundation at Anchois and long-term growth potential through infrastructure-led exploration from the existing portfolio, the Company will also continue to assess other opportunities in transitional gas and investigate likely synergies.

In Transitional Power, the Board recognized three primary value elements in its move to acquire AEMP. First, the purchase brings an exceptional, highly efficient team with a pipeline of off-grid renewable and hybrid energy projects serving a relatively untapped mining market. Thus, Chariot is stepping into this established, ready-made business in the clean energy space. Second, the partnership with Total Eren, a leading global player in renewable energy, means that every aspect of projects under the partnership are already substantially de-risked to Chariot shareholders before capital is deployed. So, while we recognise that we are in early time of our renewable power journey, we can leverage our equity participation in multiple well founded portfolio projects to accrete material returns on investment. And finally, Chariot has a unique competitive advantage with access to a much wider African mining network through its founder and Acting CEO Adonis Pouroulis. This has the potential to significantly accelerate development of our transitional power project pipeline and is a clear benefit of the transaction.

First-mover advantage

Our decision to raise equity to finance the appraisal well was crucial to maximize both the ultimate value to the Company and the control of project development through to first gas production and cashflow. Company ownership of the large, operated acreage position at the full equity stake of 75% ensures the flexibility necessary to bring strategic partners in at the appropriate time. The team continues to engage with a range of potential partners for different segments of the project. Based on the quality of the asset and the scale of the opportunity, we are confident that the right combination of partnering, timing and scope will be achieved to maximize shareholder value.

This theme is also illustrated by our entry into the renewable and hybrid power sector in Africa. The first project between AEMP and Total Eren, supplying 15MW of solar PV power as part of a hybrid solar-thermal power solution to the Essakane gold mine in Burkina Faso, was, at the time of completion, the largest hybrid PV-HFO power plant in the world and one of the largest solar facilities in sub-Saharan Africa. This project concept is being replicated, adjusted, and scaled up for numerous project applications. By acquiring the AEMP expertise and portfolio, Chariot is making a low-cost entry to a specific, underserved, profitable and growing market, at the same time positioning itself to capture forecasted thematic energy growth trends across the continent of Africa, it is on note that the population of Africa is estimated to double to over two billion people during the course of the next quarter century.

Outlook

The recent recapitalisation of the Company through equity fundraising means the next 12-24 months will be an exceptionally busy time as we move to drilling operations offshore Morocco and look forward to multiple new investment opportunities in African renewable and hybrid power projects.

The Board chose to subscribe for a significant portion of the fundraising as we see great value in the highly scalable transitional gas and power businesses which together hold a bright future for Chariot. I would like to thank our existing shareholders and I welcome the new institutions that came onboard as we enter this new phase of growth and expansion into new markets. Following the completion of the acquisition of AEMP we also look forward to working with this new team alongside our new partners at Total Eren as we aim to deliver on the strategy in place, thereby generating value accretive returns for all stakeholders.

George Canjar
Chairman
24 June 2021

Chariot Limited

Chief Executive Officer's Review

Building an African-focused transitional energy group

The Covid-19 pandemic in 2020 caused considerable upheaval globally, affecting every aspect of life in every country and continent on the planet. The year 2020 was one of great change and our industry faced increased scrutiny as climate change and environmental, social & governance ("ESG") principles are now at the forefront of any energy discussion. A reinvention of the Chariot "raison d'être" became an absolute necessity for our survival as our historic business model of pure exploration became less appealing to the investing community and to our relevance in this rapidly shifting global energy revolution. I am pleased to say that the Chariot team grasped the challenges, embraced significant change and is moving ahead through 2021 firmly on the front foot with a clear and laser focused strategy. We firmly believe that the new executive team has the ambition, tenacity and entrepreneurial spirit to build a Company that can play a leading role in the largely untapped market of Africa's energy transition.

Africa is predicted to be the driver of world population growth in the next century with a doubling of its 1.2 billion inhabitants expected in the next 25 years. This therefore means that the demand for energy which is both clean, green and sustainable will also grow significantly. Chariot is in a strong position to contribute to this energy growth and stands to benefit by virtue of its presence in both its transitional gas and transitional power industries which have the potential to grow into highly valuable businesses. It follows that a key attribute for Chariot investments, in addition to positive impact, is that our projects must also be highly scalable. We see this scalability in the material upside in Lixus with audited total recoverable resources of around 3 Tcf and the recently announced Rissana licence that surrounds Lixus, and we also see this in the scale of the mining power market our renewable and hybrid energy projects will serve. We are excited to be partnered with Total Eren, a leading global player in renewable energy and whilst initial focus of projects is in the mining sector in Africa we expect this partnership to grow beyond just the mining industry.

The Anchois Gas Development

The Lixus licence, offshore Morocco, contains the significant Anchois gas discovery for which we are targeting appraisal drilling in Q4 2021. Since Lixus was awarded to Chariot in 2019, the team has taken steps to further de-risk the Anchois Gas Development project from the subsurface through to the gas market, the construction phase and project financing.

Using the large quantity of legacy 3D seismic data on the block, in addition to the data from four offset wells, the subsurface team commissioned a reprocessing study using the latest modern technology which resulted in significant improvements in both image quality and in depth control. This led to a resource upgrade, as announced in September 2020, of audited total remaining recoverable resource to in excess of 1 Tcf for Anchois, comprising 361 Bcf 2C contingent resources and 690 Bcf prospective resources in the deeper prospective gas targets.

Promising subsurface attributes mean that Anchois is a simple and standard development which has many global analogues. The development plan from a pre-FEED study consists of two initial subsea wells tied into a subsea manifold with a 40km offshore flowline connected to an onshore gas processing facility, from which a short 40km pipeline connects to the trunk pipeline to Europe allowing access not only to the growing Moroccan energy market but also to the European gas market. In order to further enhance the planning and execution of the development, in February 2021 a collaboration agreement was signed with Subsea Integration Alliance, the world-leading developer of offshore gas projects, to progress the front-end design, engineering, procurement, construction, installation and operation work streams. This agreement both endorses the project's credentials and helps to de-risk the execution of the development by collaboration with a group of top tier service providers.

Morocco provides excellent fiscal terms for domestic projects, including a 10-year corporate tax holiday from the start of production. Although Morocco has a large and growing energy market, it is heavily reliant on imports, and has high established gas prices. Domestic gas therefore has an important role to play as Morocco seeks to transition away from its dependency on imported fuels and promote self-sufficiency. As gas is a cleaner source of energy than coal, which is used for 67 per cent. of Morocco's current power generation, a heavier reliance on gas as an energy source will help to reduce Morocco's carbon footprint significantly. Anchois has the potential to play a significant role in Morocco's transition to a low carbon economy as it seeks to satisfy an anticipated doubling in domestic energy demand over the next 20 years. The project has highly attractive economics and we estimate that a base case development with a 70mmscf/d plateau production rate from the 2C 361 Bcf contingent resource would deliver net NPV10 of US$500 million and an unlevered internal investment rate in excess of 30 per cent.

To expedite efforts to secure gas sales agreements and progress the Anchois project, the broad skillset of the Group's leadership team was strengthened in October 2020 by the appointment of Pierre Raillard as Moroccan Country Director. The Gas Market Memorandum of Understanding with the Ministry of Industry in Morocco, signed in the post period, has demonstrated the support of key national institutions and partners for the project, underlining the strong relationships that the Company continues to build upon.

There are a number of options open to the Company in financing a development and we are encouraged by the support and endorsement received in Q4 2020 firstly from the African Finance Corporation ("AFC") and secondly from a major Multinational Investment Bank with global reach and profound market expertise within the EMEA region. With all the elements progressing the next step in the project is for an appraisal well to unlock the development.

Appraisal drilling: Fast-tracking to development and production in Morocco

The Anchois appraisal well will have three distinct objectives: firstly to reconfirm the original discovery A&B sands; secondly to provide a producer well location to be suspended for future use; thirdly to potentially drill the additional prospective sands and potentially establish a larger resource base for longer term growth.

Given the challenging market conditions faced in the small-cap independent sector and given our clear line of sight to first gas, it is now more vital than ever that we act to elevate ourselves to becoming a company that is closer to revenues and positive cashflow. As a result of the current availability of reasonably inexpensive rigs there is an opportunity to accelerate to the next level on the project plan at a relatively low cost. Equally important is the opportunity to bring Anchois gas to market sooner, which in the near term aligns with demand and interest from off-takers in the Moroccan power and industrial sectors. We have therefore acted to fund the drilling of the Anchois appraisal well towards the end of 2021 so that we can capture and maintain this project momentum. By operating the appraisal drilling ourselves, with the same team that achieved an industry benchmark low cost well in 2018 in Namibia, we remain in control of the fast-track timeline and are able to capitalise on the enthusiastic support the project is garnering in Morocco.

Our efforts to partner have been encouraging and we continue these discussions in parallel with the drilling campaign with the hope that this interest is crystallised into value accretion for Chariot. It must be stressed however that Chariot is in a strong position to undertake this drilling campaign alone leaving operations firmly under our control. Sticking to this accelerated timeline preserves value in the asset and with our recently bolstered balance sheet we enter into partnering negotiations from a position of strength. We believe preservation at the asset equity level is value accretive and as a material participant in the recent fundraise along with my fellow Board members our interests continue to be firmly aligned with all stakeholders. We remain grateful for the support we continue to receive from our partners in the Kingdom of Morocco and we are mindful of the opportunity given to us to make this project work in the right timeframe in order to maximise returns for all stakeholders and deliver Morocco's first offshore natural gas development.

Differentiator in Clean Power

In the post period Chariot completed the acquisition of AEMP, a renewable and hybrid energy project developer with an ongoing strategic partnership with Total Eren, a leading player in renewable energy. Under the joint venture with Total Eren, Chariot has the right to invest in up to 15 per cent. project equity at cost in projects ranging in size and currently, in aggregate, make up a pipeline of 500MW of power.

Chariot's unique offering is its large network of affiliated companies through the Pella Group with operations in 17 countries, predominantly in mining, that can be leveraged to deploy projects into the Transitional Power business and rapidly grow the pipeline above the already large 500MW. This is a synergistic opportunity to introduce Chariot's network of business interests on the African continent to an established team and pipeline of projects in partnership with Total Eren.

With this acquisition under our new Transitional Power business stream we have made a strategic entry into a market with high growth potential. The World Bank estimated the size of sub-Saharan mining power demand to be in excess of 20GW in 2020, an order of magnitude greater than the already material acquired pipeline of 500MW. Many of the world's top mining companies are embedding CO_2 reduction into more sustainable mining plans and as a consequence are setting ambitious targets and commitments to meet their electricity needs through clean energy sources. Investors are increasingly looking at the ESG performance of the mines in which they invest, including impact on the communities, water sources, and carbon emissions. ESG performance is now listed as one of the main risks for the mining industry, so most mines will consider using power from renewable sources to decrease their carbon footprint. Many mines are off-grid and require substantial dedicated power sources which until recently have required carbon intensive heavy fuel oil to be trucked over large distances.

The experienced AEMP team is joining Chariot and has a proven track record of delivery, with the first project already in operation, being the largest solar hybrid plant in Africa, at the Essakane gold mine in Burkina Faso, successfully completed and currently generating returns providing proof of concept.

Outlook

We are enthused as we look ahead to an operated appraisal well on Anchois at the end of this year yet cognisant of the hard work ahead in maintaining project momentum across all workstreams and our two business units. We are also looking forward to working with our partners in Morocco, Namibia and the new countries we will enter in our partnership with Total Eren. The new Transitional Power team is already innovating and adding value to Chariot.

We have embarked on a new course that has its own set of unique challenges and obstacles but the size of the prize and the positive impact our new business plan will have in the countries and communities in which we operate in Africa makes the challenge all the more inspiring. Whilst we set sail in this new direction for Chariot, the path of energy transition will not always be smooth and further change may be needed, however the dedication of the Chariot team remains steadfast in achieving our mission of being part of and contributing to the energy revolution which is underway at a pace.

We thank you for your continued support and hope you enjoy this exciting journey with us.

Adonis Pouroulis
Acting Chief Executive Officer
24 June 2021

Chariot Limited

Chief Financial Officer's Review

Funding and Liquidity as at 31 December 2020

The Group entered 2021 with cash of US$3.7 million as at 31 December 2020 (31 December 2019: US$9.6 million), no debt or remaining work programme commitments. The equity fundraising announced post year-end of US$23 million means the Group is capitalised to execute its strategy to both monetise the high value Anchois gas discovery and expand its highly scalable Transitional Power stream.

The extensive cost reduction programme in the first half of 2020 reduced the Company's annual cash overhead to c.US$2.5 million which has enabled us to move forward with a lower cost base and leaner foundation whilst still retaining our operational capability.

During 2020, the Group continued to develop its portfolio and business by investing c.US$6 million into its exploration portfolio and administration activities (31 December 2019: c.US$10 million) primarily in the Lixus licence in Morocco.

As at 31 December 2020, US$0.5 million of the Group's cash balances were held as security against licence work commitments. The decrease from US$0.7 million at 31 December 2019 was due to the release of Moroccan bank guarantees.

Financial Performance – Year Ended 31 December 2020

The Group's loss after tax for the year to 31 December 2020 was US$70.6 million, which is US$66.5 million higher than the US$4.1 million loss incurred for the year ended 31 December 2019. The vast majority of this increase in the annual loss is due to an impairment charge of US$66.7 million recorded against the full book value of Namibian and Brazilian exploration assets in the first half of the year. This equates to a loss per share of US$(0.19) compared to a loss per share of US$(0.01) in 2019.

The share based payments charge of US$0.2 million for the year ended 31 December 2020 was US$0.5 million lower than the US$0.7 million in the previous year due to the vesting of historic employee and Directors' deferred share awards.

Other administrative expenses of US$3.7 million for the year ended 31 December 2020 is slightly higher than US$3.4 million in the prior year reflecting one-time restructuring costs incurred in the period which are expected to decrease annual cash overhead from c.US$4.5 million to c.US$2.5 million.

Finance income of US$0.5 million (31 December 2019: US$0.2 million) relates to the holding of higher cash balances in Sterling to meet administrative expenses in the current year resulting in higher foreign exchange gains. Finance expenses of less than US$0.1 million (31 December 2019: US$0.2 million) reflect the unwinding of the discount on the lease liability under IFRS 16.

The tax expense of less than US$0.1 million in the year to 31 December 2020 (31 December 2019: less than US$0.1 million) relates to Brazilian taxation levied on interest income.

Exploration and Appraisal Assets as at 31 December 2020

In light of the challenging business environment which has been further compounded by the impact of Covid 19, our exploration activities in both Namibia and Brazil have been assessed as non-core with any potential future value to be derived from drilling of offset wells by third parties nearby, which are anticipated in the near term. The Company retains the Central Blocks, Namibia and BAR-M Blocks, Brazil and will continue to host data-rooms for potential partnering. The carrying value of the Group's exploration and appraisal assets has therefore decreased by US$65.5 million to US$12.8 million from US$78.3 million as at 31 December 2019, with the US$66.7 million impairment of Namibian and Brazilian exploration assets being offset being offset by US$1.2 million investment into the Lixus licence in Morocco to focus on and progress the Anchois gas development.

Other Assets and Liabilities as at 31 December 2020

Having provided fully against the remaining value of inventory from its earlier drilling campaigns, the remaining items were disposed of for scrap value in the second half of the year resulting in a charge of US$0.5 million to the income statement.

As at 31 December 2020, the Group's net balance of current trade and other receivables and current trade and other payables shows a net current liability position of US$0.2 million (31 December 2019: US$1.8 million) with the decrease primarily due to reduction in overhead payables and settlement of outstanding payables for seismic reprocessing studies on the Lixus licence.

Under IFRS 16 the Group has recognised a depreciating right-of use asset of US$0.7 million (31 December 2019: US$1.0 million) and a corresponding lease liability based on discounted cashflows of US$0.8 million (31 December 2020: US$1.2 million), with the decreases explained by depreciation and rental commitments paid that are partially offset by unwinding of the discount on the lease liability.

Outlook

Two highly regarded institutional lenders expressed their interest to provide debt finance to the development of Anchois, recognising the project has strong ESG credentials as well as being a highly scalable opportunity with bankable economic fundamentals. We will look to build on these discussions as the appraisal operations progress as well as continue to seek strategic partners, potentially with Moroccan parties.

The recently completed fundraise in June 2021 of US$23 million means Chariot is funded to drill an appraisal well on Anchois at the end of 2021 as operator. The same team that executed the 2018 drilling campaign on time and significantly under budget is being assembled and we look forward to the operation of a safe, efficient and cost effective well. Being funded to proceed on the fast-track timeline to first gas maximises project value but also enables greater flexibility in forthcoming negotiations with strategic partners, which ultimately protects shareholder value.

The Board has considered scenarios where there is insufficient cash to complete these planned, but uncommitted expenditures. Based on these forecasts the Board has determined that as the timing of these expenditures are within the Company's discretion, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Julian Maurice-Williams
Chief Financial Officer
24 June 2021

Chariot Limited

Technical Director's Review of Operations

<u>Morocco: Appraisal & Development – Lixus Offshore</u> (75% Chariot (Operator), 25% ONHYM (carried interest))

Overview

Chariot's key asset, the Lixus Offshore licence in Morocco, was secured in 2019. This licence area contains the Anchois gas discovery (made by Repsol in 2009) which contains 361 Bcf of 2C Contingent Resources as independently assessed by NSAI and represents a high value gas appraisal and development project which is on track to be drilled in Q4 2021.

The Anchois discovery was made in high quality reservoirs and with a favourable gas composition which together facilitate a development solution underpinned by conventional technology with delivery of gas into a growing market with strong established prices. Importantly the gas bearing reservoirs are directly imaged on seismic data, and the resulting calibration of this data helps not only to evaluate the extent of the known gas resource with confidence, but also to describe a significant and low risk portfolio of analogous exploration prospects.

As part of the rationale for the Lixus Offshore licence application, the team recognised the potential for a commercial development of the Anchois discovery in a lower cost environment, supported by a maturing local gas market, along with substantial remaining exploration potential in the same play. With the support of our local partner ONHYM, we were able to quickly secure the acreage under excellent terms and begin our evaluation with a comprehensive dataset of 2D and 3D seismic data, well data and our regional expertise built across various projects in-country since 2013.

To date, in the initial licence phase, Chariot has reprocessed in excess of 1,400 km² 3D PSDM seismic data and 1,000 km 2D seismic data. This work, along with various regional and geophysical studies, has enabled Chariot to mature the portfolio and further assured the team in the significant resource potential of the licence area.

Subsurface

The Anchois discovery was made in Tertiary aged turbidite reservoirs, deposited in a deepwater mini-basins, developed above the pre-Rifaine nappe (or Olistostrome) that formed during the Alpine orogeny as Africa and Europe collided. Gas was discovered in two sands, Gas Sands A and B, which both recorded gas columns of approximately 50m, with 22m and 33m of net gas pay respectively. These reservoir sands exhibit excellent petrophysical properties with porosity averages ranging from 26% to 28% and sampling in Gas Sand B demonstrated the potential for multi-Darcy permeability. The gas-bearing reservoirs have distinctive seismic signatures with bright, high amplitudes and far-offset (AVO) seismic anomalies, which increase the confidence in the lateral extent of those sands away from the discovery well location.

Based on the legacy 2010 PSTM 3D seismic data, an Independent Estimate of the Contingent Resources associated to the Anchois discovery by NSAI in 2019 was 156 Bcf of 1C (or Proven) resources, 307 of 2C (or Probable) resources and 433 Bcf of 3C (or Possible) resources. Following the 2020 3D seismic reprocessing campaign, the 1C resource assigned to the Anchois discovery was revised to 201 Bcf, the 2C resource revised to 361 Bcf and the 3C resource to 550 Bcf; these numbers were also independently audited by NSAI. This uplift in resources provided greater confidence in the commerciality of the discovered gas resources.

In addition to the description of the gas discovered in the well, Chariot's team also identified 3 prospective undrilled gas sands, with similar distinctive seismic attributes to the discovery sands that would offer low risk exploration upside adjacent to the discovery well. The C and M sand targets in Anchois Deep are at approximately the same elevation to where thin gas bearing sands were identified in the discovery well. This well also established very good reservoir properties in the M sand, albeit water-bearing in a down-dip location. Finally, the O sand reservoir provides prospective resource in both Anchois Deep prospect and the adjacent Anchois Footwall structural prospect. Again, NSAI performed an independent estimation on the resource potential of these reservoirs, resulting in a total best estimate (2U) of 690 Bcf of prospective resources across these targets, which could be cost-effectively tested in combination with appraisal or development drilling on the Anchois field.

Drilling Appraisal

The primary objective of the planned Anchois Appraisal programme is to unlock development of the A & B Sands by confirming the gas resource volumes, reservoir quality and well productivity required to underpin the development of the field. The second objective is for the well to provide an optimised production location; by suspending it for future re-entry and completion as a producer well in the field development plan. This surface location is likely to serve as an optimised site for subsea infrastructure and top-hole location for additional producers in the same part of the field. The third and final objective of the programme is to explore other prospective sands by deepening the well into the C, M & O reservoirs to directly unlock additional gas resources in Anchois and to also de-risk adjacent prospects by providing further calibration of the seismic data.

Development Concept

Chariot has further matured the subsea-to-shore development concept for the Anchois gas field, through pre-FEED studies performed with Xodus, an engineering consultancy owned by Subsea 7. This work validated the concept and, thanks to the favourable subsurface conditions, has identified the possibility to use standardised technology and to optimise costs. The excellent reservoir properties will allow producer wells to produce gas at high rates, which reduces the number of initial producer wells required and therefore reduces the associated drilling and completion costs and subsea complexity. The excellent gas quality, without impurities such as carbon dioxide or hydrogen sulphide, means that standard materials and technology can be used for the flowline and processing facility. Again, this keeps costs down and also shortens the lead time be reducing up-front engineering and shortening the procurement cycle. Chariot intends to continue discussions with engineering providers to ensure that any development of Anchois can be achieved in a cost-effective and timely manner. The pre-FEED study focused on an initial development with two subsea producers tied to an onshore Central Processing Facility ('CPF'), with a capacity to process 70 mmscfd. From the CPF an onshore pipeline connects to the Maghreb-Europe Gas Pipeline, giving access to both Moroccan domestic markets and export routes into Spain. This work reduces the estimated initial CAPEX by approximately 30% versus the feasibility studies performed in 2019, which has a direct positive impact on the economics of the project. Domestic markets in Morocco offer attractive gas prices to both the industrial and power markets and the Company is progressing discussions with various potential gas offtake customers ahead of appraisal drilling on the Anchois gas field. The large Spanish market provides the scale and opportunity to sell any surplus gas above domestic requirements and for additional prospective resources to be monetised quickly once they are discovered.

Gas Market and Financing

Primary energy demand in Morocco has doubled since the year 2000 and is forecast to double again from 2015 to 2030. In terms of power generation, imported fossil fuels dominate, with Morocco relying on imports for over 90% of its primary energy needs. Since the construction of the Maghreb-Europe Pipeline ("GME") in 2004, Morocco has been importing gas from Algeria for power generation with domestic based Ain Beni Mathar and Tahaddart power stations consuming around 100 mmscfd since 2012. The Moroccan government has been working on policies designed to improve security of supply, to provide industries access to cleaner energy at a low cost, and to minimise the environmental impact of its energy mix. As part of this process, gas has been a major factor in its vision, including the possibility of imported LNG and the construction of further power infrastructure. Clearly indigenous Moroccan gas, such as that from an Anchois Field development, has the ability to fuel these existing and planned CCGT power stations (thus displacing the need to import gas from Algeria), reduce the volumes required from imported LNG projects, switch expensive and underutilised fuel oil power stations to gas and to reduce dependency on imported coal. Over and above power projects, there is a proven fast-growing industrial demand for gas with prices already established in the region of US$10-11/mcf. Once a material gas resource such as Anchois is connected to an industrial region such as that of Morocco's Atlantic coast, with the stretch from Kenitra to Casablanca adjacent to Anchois representing 62% of Morocco's GDP, it is anticipated that industrial gas consumption will grow significantly, through a variety of possible delivery networks such as piped gas and virtual pipelines utilising Liquified Natural Gas ("LNG") or Compressed Natural Gas ("CNG"). This will allow industrial customers to switch from other more expensive fuels such as fuel oil and imported Liquefied Petroleum Gas ("LPG"). Furthermore, with a connection to the GME pipeline, for which ownership transitions to Morocco in 2021, surplus gas from the Anchois Field development could potentially be exported to the Iberian Peninsula, highlighting the project's flexibility in commercial options. Lixus boasts excellent contract terms in what is widely known internationally to be a favourable fiscal environment. There is a 10-year corporate tax holiday from the commencement of production and a low 3.5% royalty on gas produced offshore at the water depth of the Anchois discovery, with ONHYM paying their 25% share of the development. The 10-year tax holiday is an important incentive to encourage the initiation of a domestic offshore gas supply.

In October 2020, Chariot announced an Expression of Interest ("EOI") from Africa Finance Corporation ("AFC"), a pan-African Multilateral Development Financial Institution, for the provision of development debt finance for the Anchois Gas Discovery. An EOI was also received for the provision of Reserves Base Lending for the development of Anchois with a Multinational Investment Bank. Both EOIs take into account the estimated capex required to bring the development online, anticipated to be in the region of US$300 million, but they also identify Lixus as being an important strategic asset, with strong ESG credentials, that has the potential to help Morocco transition to a low carbon economy, as it seeks to satisfy an anticipated doubling in domestic demand for energy over the next 20 years.

Lixus Extended Portfolio

With lessons learnt from the work on Anchois, additional prospects surrounding the Anchois discovery that share the same reservoir systems and possess very similar seismic attributes were identified on the 3D PSDM seismic data. Anchois and its satellites are an amplitude and AVO supported discovery and prospect inventory with remaining recoverable resources in combination in excess of 1.5 Tcf, as independently estimated by NSAI in 2020. This portfolio is within a 10km radius of the planned Anchois subsea production infrastructure, demonstrating a potentially high-value, low risk and material resource base for growth in the medium term.

In addition to the satellites, five further exploration prospects (Turbot, Tombe, Maquereau North, Maquereau Central and Maquereau South) were identified on the 3D PSTM and independently estimated by NSAI within the same play in 2019. These prospects offer the potential to be additional production centres beyond the Anchois area for the longer term, in the case of successful exploration drilling, and contribute to a total remaining 1.2 Tcf 2U prospective resources.

Beyond the potential captured in the independently estimated portfolio, the exploration team are continually maturing exploration play systems across the newly reprocessed 3D PSDM seismic data and have identified new prospects since the most recent audit that are estimated to contribute an additional >1.5 Tcf to the portfolio. The licence also contains other play systems including both a shallower gas play within the younger Pliocene reservoir systems and a high risk, high reward play in the Mesozoic reservoirs, trapped in large thrusted structures of the sub-nappe section which have only been unveiled thanks to the improvements in image quality from the seismic reprocessing project.

Forward Plan 2021/22

- Detailed well engineering, complete tendering on rig and logistics services, accelerate operational planning for operated appraisal drilling in Q4 2021
- Mature the gas commercialisation opportunities, development plan, drilling preparatory work and strategic alliances to progress funding solutions
- Continued evaluation of the PSDM reprocessing and depth conversion techniques to further refine the understanding of the Anchois discovery and identification of further exploration opportunities within the shallow low-risk gas play
- Develop regional understanding in order to mature the potentially giant-scale targets in the sub-nappe play
- Identify and evaluate new venture opportunities to expand the Transitional Gas portfolio and continue to provide cleaner energy solutions to developing countries across Africa

Exploration Portfolio:

Rissana Offshore

In 2020, Chariot announced the agreement of key terms on the new Rissana Offshore licence in Morocco. The formal award of the licence is expected in the second half of 2021, subject to Moroccan regulatory procedures and approvals. The licence will surround the offshore boundaries of Chariot's existing Lixus Offshore Licence, as well as covering the most prospective northern areas of the previously held Mohammedia Offshore and Kenitra Offshore licences. Chariot will hold a 75% interest and operatorship in partnership with ONHYM which will hold a 25% interest.

Following relinquishment of Mohammedia Offshore and Kenitra Offshore, the prospective areas already covered by 3D seismic data will be incorporated into the Rissana licence. This provides material potential running room in various plays including the Mio-Pliocene gas play surrounding the Lixus licence, on-trend with the Anchois Gas Discovery, and the Mesozoic play including prospects inherited from the legacy portfolio as well as new exploration targets.

Initial minimum licence commitment is the acquisition of a 2D seismic survey, over a portion of the acreage, which will help to evaluate the extension and potential of these plays across Rissana.

Brazil

Chariot has fulfilled the current period commitments on its acreage in the Barreirinhas basin, with drill ready targets under evaluation for potential drilling in the next phase of the licence. Multiple third party well commitments across the basin remain and the results of any operations are anticipated to help deliver key information regarding Chariot's acreage. Amongst these, Petrobras are expected to drill first on the Guajuru prospect.

In an underexplored deepwater basin, the results from these wells will be important in revealing the exploration potential of the basin and de-risking a portfolio of >1.4Bnbbls of (unaudited) estimated prospective resource.

Namibia

Following the drilling of the Prospect S exploration well in 2018, which fulfilled the work commitments in the current licence period of the PEL-71 licence and post-well evaluation studies have been completed.

The industry anticipates that between 2 and 4 exploration wells will be drilled offshore Namibia in the near-term, including wells on the Venus (Total) and Graff (Shell) prospects. We continue to mature our understanding of the potential of our Namibia acreage and host data rooms for potential farminees, whilst we await results from nearby drilling which may help to de-risk the remaining prospectivity in our Namibian exploration portfolio.

Duncan Wallace
Technical Director
24 June 2021

Chariot Limited

Transitional Power: Investment into New Renewable and Hybrid Power Developer

AEMP acquisition

On 23 March 2021, Chariot announced the acquisition of AEMP, a renewable and hybrid energy project developer with an ongoing strategic partnership with Total Eren, a leading player in renewable energy. Total S.A., the French multinational energy company, has a direct and indirect shareholding of approximately 30% in Total Eren. AEMP and Total Eren (the "Partners") are initially looking to provide clean, sustainable, and more reliable energy to operational mines in Africa, which represents a largely untapped market in which the Board has numerous high-level contacts.

Strategic partnership with Total Eren

Under the joint venture with Total Eren, Chariot has the right to invest in up to 15% project equity at cost in projects developed by the Partners and the Group currently recovers its overhead costs as part of the partnership, providing an immediate post-acquisition revenue stream to finance ongoing costs. To date, the Partners have built a pipeline of 500MW of African mining power projects and the Group will seek to grow and deploy more projects into this pipeline, going beyond mining into other industries, state-owned enterprises and governments across Africa.

Essakane Project

The Partner's first project, supplying 15MW of solar PV power as part of a hybrid solar-thermal power solution to the Essakane gold mine in Burkina Faso, was at the time of completion the largest hybrid PV-HFO power plant in the world and one of the largest solar facilities in sub-Saharan Africa with 130,000 solar panels. Chariot holds 10% project equity through the AEMP acquisition, with Total Eren holding the remaining 90%. The solar PV power decreases the mine's fuel consumption by approximately 6 million litres per year and reduces its annual CO^2 emissions by nearly 18,500 tons, thus supplying an off-grid gold mine with competitive and carbon-free electricity. The AEMP team was involved in all stages of the project from origination of the mine, including: designing the size and determining the operating philosophy of the hybrid power plant; obtaining local authorisations and permits; selection of the engineering, procurement and construction contractor; financing; and, operating post-completion. The project's successful completion and generation of returns provide proof of concept and a valuable showcase from which replication and scale-up is anticipated. The combined competitiveness of solar energy with this ESG impact is creating a vast market for clean energy solutions in Africa, and Chariot intends to replicate this Essakane model across the pipeline to meet our key value of positive impact on all our projects, supporting clients in strengthening their ESG performance and their social licence to operate.

Management team

The experienced team of Benoit Garrivier and Laurent Coche, the founders of AEMP, will join Chariot to lead the transitional power business. The Board welcomes both Benoit and Laurent into Chariot's innovative and dynamic management team and look forward to working with Total Eren in partnership to deliver highly attractive projects in an exciting growth market, providing clean energy solutions across the continent of Africa.

Chariot Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	Notes	Year ended 31 December 2020 US$000	Year ended 31 December 2019 US$000
Share based payments	20	(222)	(651)
Loss on disposal of inventory	13	(524)	-
Impairment of exploration asset	10	(66,666)	-
Other administrative expenses		(3,678)	(3,395)
Total operating expenses		(71,090)	(4,046)
Loss from operations	4	**(71,090)**	**(4,046)**
Finance income	6	543	190
Finance expense	6	(72)	(183)
Loss for the year before taxation		**(70,619)**	**(4,039)**
Tax expense	8	(1)	(11)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(70,620)**	**(4,050)**
Loss per Ordinary share attributable to the equity holders of the parent – basic and diluted	9	**US$(0.19)**	**US$(0.01)**

All amounts relate to continuing activities.

The notes form part of these financial statements.

Chariot Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital US$000	Share premium US$000	Contributed equity US$000	Share based payment reserve US$000	Foreign exchange reserve US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000
As at 1 January 2019	**6,264**	**356,336**	**796**	**4,928**	**(1,241)**	**(277,124)**	**89,959**
Loss and Total comprehensive loss for the year	-	-	-	-	-	(4,050)	(4,050)
Share based payments	-	-	-	651	-	-	651
Transfer of reserves due to issue of share awards	4	167	-	(171)	-	-	-
As at 31 December 2019	**6,268**	**356,503**	**796**	**5,408**	**(1,241)**	**(281,174)**	**86,560**
Loss and total comprehensive loss for the year	-	-	-	-	-	(70,620)	(70,620)
Share based payments	-	-	-	222	-	-	222
Transfer of reserves due to issue of share awards	281	3,106	-	(3,387)	-	-	-
Transfer of reserves due to lapsed share options	-	-	-	(796)	-	796	-
Transfer of reserves	-	-	-	-	1,241	(1,241)	-
As at 31 December 2020	**6,549**	**359,609**	**796**	**1,447**	**-**	**(352,239)**	**16,162**

The following describes the nature and purpose of each reserve within owners' equity.

Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Contributed equity	Amount representing equity contributed by the shareholders.
Share based payments reserve	Amount representing the cumulative charge recognised under IFRS2 in respect of share option, LTIP and RSU schemes.
Foreign exchange reserve	Foreign exchange differences arising on translating into the reporting currency.
Retained deficit	Cumulative net gains and losses recognised in the financial statements.

The notes form part of these financial statements.

Chariot Limited

Consolidated Statement of Financial Position as at 31 December 2020

	Notes	31 December 2020 US$000	31 December 2019 US$000
Non-current assets			
Exploration and appraisal costs	10	12,822	78,264
Property, plant and equipment	11	43	94
Right of use asset	15	655	983
Total non-current assets		**13,520**	**79,341**
Current assets			
Trade and other receivables	12	811	781
Inventory	13	-	524
Cash and cash equivalents	14	3,740	9,635
Total current assets		**4,551**	**10,940**
Total assets		**18,071**	**90,281**
Current liabilities			
Trade and other payables	16	1,060	2,535
Lease liability: office lease	15	409	366
Total current liabilities		**1,469**	**2,901**
Non-current liabilities			
Lease liability: office lease	15	440	820
Total non-current liabilities		**440**	**820**
Total liabilities		**1,909**	**3,721**
Net assets		**16,162**	**86,560**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	6,549	6,268
Share premium		359,609	356,503
Contributed equity		796	796
Share based payment reserve		1,447	5,408
Foreign exchange reserve		-	(1,241)
Retained deficit		(352,239)	(281,174)
Total equity		**16,162**	**86,560**

The notes form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2021.

George Canjar
Chairman

Chariot Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2020

	Year ended 31 December 2020 US$000	Year ended 31 December 2019 US$000
Operating activities		
Loss for the year before taxation	(70,619)	(4,039)
Adjustments for:		
Loss on disposal of inventory	524	-
Impairment of exploration asset	66,666	-
Finance income	(543)	(190)
Finance expense	72	183
Depreciation	387	401
Share based payments	222	651
Net cash outflow from operating activities before changes in working capital	**(3,291)**	**(2,994)**
(Increase) / decrease in trade and other receivables	(34)	1,036
(Decrease) / increase in trade and other payables	(728)	930
Cash outflow from operating activities	**(4,053)**	**(1,028)**
Tax payment	(1)	(11)
Net cash outflow from operating activities	**(4,054)**	**(1,039)**
Investing activities		
Finance income	29	217
Payments in respect of property, plant and equipment	(8)	(67)
Payments in respect of exploration assets	(1,971)	(8,828)
Net cash outflow used in investing activities	**(1,950)**	**(8,678)**
Financing activities		
Payments of lease liabilities	(337)	(287)
Finance expense on lease	(72)	(97)
Net cash outflow from financing activities	**(409)**	**(384)**
Net decrease in cash and cash equivalents in the year	**(6,413)**	**(10,101)**
Cash and cash equivalents at start of the year	**9,635**	**19,822**
Effect of foreign exchange rate changes on cash and cash equivalents	518	(86)
Cash and cash equivalents at end of the year	**3,740**	**9,635**

The notes on form part of these financial statements.

Chariot Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1 General information

Chariot Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP. The nature of the Company's operations and its principal activities are set out in the Report of the Directors and in the Technical Director's Review of Operations.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

In accordance with the provisions of section 244 of the Companies (Guernsey) Law, 2008, the Group has chosen to only report the Group's consolidated position, hence separate Company only financial statements are not presented.

The financial statements are prepared under the historical cost accounting convention on a going concern basis.

Going concern

During 2020, the directors responded to the market uncertainty related to COVID-19 and commodity price weakness through performing a restructuring to reduce annual running costs. As at 31 December 2020 the Group had cash of US$3.7 million and no debt or commitments.

In June 2021 an equity fundraise completed which raised US$18.8 million with a further US$4.2 million underwritten by Magna Capital LDA (of which the CEO, Adonis Pouroulis is a substantial shareholder). At the date of this report not all the cash from the equity fundraise has been received.

The Directors have reviewed the cashflow projection for the Group to consider if it has sufficient finance in place to meet its financial commitments for at least 12 months.

The Group is currently looking to secure a rig to perform appraisal drilling at Anchois, which is planned to occur in Q4 2021. In addition, the Group is planning to progress its work programme on the acreage surrounding Anchois. The Company continues to focus on partnering at Lixus, as well to progress its renewable business across mines in Africa and the Board has the reasonable expectation of generating future value and cash from this strategy. The Board has considered scenarios where there is insufficient cash to complete these planned, but uncommitted expenditures. Based on these forecasts the Board has determined that as the timing of these expenditures are within the Company's discretion, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

New Accounting Standards

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 January 2020. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

Standard	**Effective year commencing on or after**
IFRS 3: Definition of a Business (Amendments to IFRS 3)	1 January 2020
IAS1, IAS8: Definition of Material (amendments to IAS1 and IAS 8)	1 January 2020

Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

IFRS 16 - Leases

Under IFRS 16 lease liabilities are initially measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate at the date of recognition. Associated right-of-use assets are measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has elected not to recognise right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low-value assets. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Further details on the lease liability can be found in note 15.

Exploration and appraisal costs

All expenditure relating to the acquisition, exploration and appraisal of oil and gas interests, including an appropriate share of directly attributable overheads, is capitalised within cost pools.

The Board regularly reviews the carrying values of each cost pool and writes down capitalised expenditure to levels it considers to be recoverable. Cost pools are determined on the basis of geographic principles. The Group currently has three cost pools being Central Blocks in Namibia, Morocco and Brazil. In addition where exploration wells have been drilled, consideration of the drilling results is made for the purposes of impairment of the specific well costs. If the results sufficiently enhance the understanding of the reservoir and its characteristics it may be carried forward when there is an intention to continue exploration and drill further wells on that target.

Where farm-in transactions occur which include elements of cash consideration for, amongst other things, the reimbursement of past costs, this cash consideration is credited to the relevant accounts within the cost pools where the farm-in assets were located. Any amounts of farm-in cash consideration in excess of the value of the historic costs in the cost pools is treated as a credit to the Consolidated Statement of Comprehensive Income.

Inventories

The Group's share of any material and equipment inventories is accounted for at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Taxation

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements 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 reporting 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 substantively enacted and are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, 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.

Foreign currencies

Transactions in foreign currencies are translated into US Dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the closing rates at the reporting date and the exchange differences are included in the Consolidated Statement of Comprehensive Income. The functional and presentational currency of the parent and all Group companies is the US Dollar.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation and impairment. 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.

Property, plant and equipment are depreciated using the straight line method over their estimated useful lives over a range of 3 – 5 years.

The carrying value of property, plant and equipment is assessed annually and any impairment charge is charged to the Consolidated Statement of Comprehensive Income.

Share based payments

Where equity settled share awards are awarded to employees or Directors, the fair value of the awards at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that eventually vest. Market vesting conditions are factored into the fair value of the awards granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of awards are modified before they vest, the increase in the fair value of the awards, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where shares already in existence have been given to employees by shareholders, the fair value of the shares transferred is charged to the Consolidated Statement of Comprehensive Income and recognised in reserves as Contributed Equity.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if it has power over the investee and it is exposed to variable returns from the investee and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between the Group companies are therefore eliminated in full.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently at amortised cost.

Financial instruments

The Group's financial assets consist of a bank current account or short-term deposits at variable interest rates and other receivables. Any interest earned is accrued and classified as finance income.

The Group's financial liabilities consist of trade and other payables. The trade and other payables are stated initially at fair value and subsequently at amortised cost.

Joint operations

Joint operations are those in which the Group has certain contractual agreements with other participants to engage in joint activities that do not create an entity carrying on a trade or business on its own. The Group includes its share of assets, liabilities and cash flows in joint arrangements, measured in accordance with the terms of each arrangement, which is usually pro rata to the Group's interest in the joint operations. The Group conducts its exploration, development and production activities jointly with other companies in this way.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. If these estimates and assumptions are significantly over or under stated, this could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The areas where this could impact the Group are:

a) <u>Areas of judgement</u>

i. Recoverability of exploration and appraisal costs

Expenditure is capitalised as an intangible asset by reference to appropriate cost pools and is assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value.

ii. Treatment of farm-in transactions

All farm-in transactions are reflected in these financial statements in line with the accounting policy on Exploration and Appraisal Costs. Farm-in transactions are recognised in the financial statements if they are legally complete during the year under review or, if all key commercial terms are agreed and legal completion is only subject to administrative approvals which are obtained within the post balance sheet period or are expected to be obtained within a reasonable timeframe thereafter.

iii. Covid-19

The Covid-19 pandemic has caused severe and unexpected disruption both to the economy and to working practices. In order to mitigate against this risk the Group has made changes to its corporate strategy to diversify its risk profile, focus on monetising the near term potential of the Lixus licence and maximising value for investors by developing a Moroccan gas business. A restructuring to reduce annual running costs was undertaken to deliver this strategy, with further changes made in July 2020 at Board level that have resulted in an acquisition of a renewables business and an equity fundraise in the post period.

3 Segmental analysis

The Group has two reportable segments being exploration and appraisal and corporate costs. The operating results of each of these segments are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources and assess their performance.

31 December 2020

	Exploration and Appraisal	Corporate	Total
	US$000	US$000	US$000
Share based payment	-	(222)	(222)
Loss on disposal of inventory	(524)	-	(524)
Impairment of exploration asset	(66,666)	-	(66,666)
Administrative expenses	(182)	(3,496)	(3,678)
Finance income	-	543	543
Finance expense	-	(72)	(72)
Tax expense	-	(1)	(1)
Loss after taxation	(67,372)	(3,248)	(70,620)
Additions to non-current assets	1,224	8	1,232
Total assets	12,822	5,249	18,071
Total liabilities	(366)	(1,543)	(1,909)
Net assets	12,456	3,706	16,162

31 December 2019

	Exploration and Appraisal	Corporate	Total
	US$000	US$000	US$000
Share based payment	-	(651)	(651)
Administrative expenses	(365)	(3,030)	(3,395)
Finance income	-	190	190
Finance expense	-	(183)	(183)
Tax expense	-	(11)	(11)
Loss after taxation	(365)	(3,685)	(4,050)
Additions to non-current assets	4,028	67	4,095
Total assets	78,788	11,493	90,281
Total liabilities	(1,113)	(2,608)	(3,721)
Net assets	77,675	8,885	86,560

4 Loss from operations

	31 December 2020	31 December 2019
	US$000	**US$000**
Loss from operations is stated after charging:		
Loss on disposal of inventory	524	**-**
Impairment of exploration asset	66,666	-
Depreciation of property, plant and equipment	59	73
Depreciation of Right of Use asset	328	328
Share based payments – Long Term Incentive Scheme	200	614
Share based payments – Restricted Share Unit Scheme	22	37
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	60	56
Audit of the Company's subsidiaries pursuant to legislation	15	14
Fees payable to the Company's Auditors for the review of the Company's interim accounts	-	10
Total payable	**75**	**80**

5 Employment costs

Employees	**31 December 2020**	**31 December 2019**
	US$000	**US$000**
Wages and salaries	1,444	3,016
Payments in lieu of notice / compromise payments	487	-
Pension costs	94	128
Share based payments	156	321
Sub-total	**2,181**	**3,465**
Capitalised to exploration costs	(773)	(2,410)
Total	**1,408**	**1,055**

Key management personnel	**31 December 2020**	**31 December 2019**
	US$000	**US$000**
Wages, salaries and fees	916	753
Payment in lieu of notice	468	-
Social security costs	179	75
Pension costs	18	-
Share based payments	66	330
Sub-total	**1,647**	**1,158**
Capitalised to exploration costs	(119)	(403)
Total	**1,528**	**755**

The Directors are the key management personnel of the Group. Details of the Directors' emoluments and interest in shares are shown in the Directors' Remuneration Report.

6 Finance income and expense

Finance income	31 December 2020	31 December 2019
	US$000	US$000
Foreign exchange gain	518	**-**
Bank interest receivable	25	190
Total	**543**	**190**

Finance expense	31 December 2020	31 December 2019
	US$000	US$000
Foreign exchange loss	-	86
Finance expense on lease	72	97
Total	**72**	**183**

7 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2020 and 31 December 2019, excluding dormant entities, were:

Subsidiary undertaking	Principal activity	Country of incorporation
Chariot Oil & Gas Investments (Namibia) Limited	Holding company	Guernsey
Chariot Oil & Gas Investments (Morocco) Limited	Oil and gas exploration	Guernsey
Chariot Oil and Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey
Chariot Oil & Gas Holdings (Morocco) Limited	Oil and gas exploration	UK

[1]Indirect shareholding of the Company.

8 Taxation

The Company is tax resident in the UK, however no tax charge arises due to taxable losses for the year (31 December 2019: US$Nil).

No taxation charge arises in Namibia, Morocco or the UK subsidiaries as they have recorded taxable losses for the year (31 December 2019: US$Nil).

In Brazil, there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$1,000 (31 December 2019: US$11,000). There was no deferred tax charge or credit in either period presented.

Factors affecting the tax charge for the current year

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to losses for the year are as follows:

	31 December 2020	31 December 2019
	US$000	US$000
Tax reconciliation		
Loss on ordinary activities for the year before tax	(70,619)	(4,039)

Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (31 December 2019: 19%)	(13,418)	(767)
Non-deductible expenses	12,882	200
Difference in tax rates in other jurisdictions	-	26
Deferred tax effect not recognised	537	552
Total taxation charge	**1**	**11**

The Company had tax losses carried forward on which no deferred tax asset is recognised. Deferred tax not recognised in respect of losses carried forward total US$7.6 million (31 December 2019: US$7.1 million). Deferred tax assets were not recognised as there is uncertainty regarding the timing of future profits against which these assets could be utilised.

9 Loss per share

The calculation of basic loss per Ordinary share is based on a loss of US$70,620,000 (31 December 2019: loss of US$4,050,000) and on 379,349,854 Ordinary shares (31 December 2019: 367,405,011) being the weighted average number of Ordinary shares in issue during the year. Potentially dilutive share awards are detailed in note 20, however these do not have any dilutive impact as the Group reported a loss for the year, consequently a separate diluted loss per share has not been presented.

10 Exploration and appraisal costs

	31 December 2020	**31 December 2019**
	US$000	**US$000**
Net book value brought forward	**78,264**	**74,236**
Additions	1,224	4,028
Impairment	(66,666)	-
Net book value carried forward	**12,822**	**78,264**

As at 31 December 2020 the net book values of the three cost pools are Central Blocks offshore Namibia US$Nil (31 December 2019: US$51.1 million), Morocco US$12.8 million (31 December 2019: US$11.5 million) and Brazil US$Nil (31 December 2019: US$15.7 million).

In light of the challenging conditions since Covid-19 and general lack of appetite in the market for oil exploration, the activities in Namibia and Brazil have been assessed as non-core with substantive expenditure not planned in the near term, and as such full impairments have been recorded against each respective cost pool.

11 Property, plant and equipment

	Fixtures, fittings and equipment	**Fixtures, fittings and equipment**
	31 December 2020	**31 December 2019**
	US$000	**US$000**
Cost		
Brought forward	1,348	1,781
Additions	8	67
Disposals	-	(500)
Carried forward	1,356	1,348
Depreciation		
Brought forward	1,254	1,681
Charge	59	73
Eliminated on disposals	-	(500)
Carried forward	1,313	1,254

Net book value brought forward	**94**	**100**
Net book value carried forward	**43**	**94**

12 Trade and other receivables

	31 December 2020	31 December 2019
	US$000	US$000
Other receivables and prepayments	811	781

The fair value of trade and other receivables is equal to their book value.

13 Inventory

	31 December 2020	31 December 2019
	US$000	US$000
Wellheads and casing	-	524

Remaining items of inventory from earlier drilling campaigns were disposed of in 2020 resulting in a loss on disposal of US$0.5 million.

14 Cash and cash equivalents

	31 December 2020	31 December 2019
Analysis by currency	US$000	US$000
US Dollar	1,844	9,114
Brazilian Real	30	52
Sterling	1,815	342
Namibian dollar	51	127
	3,740	**9,635**

As at 31 December 2020 and 31 December 2019 the US Dollar and Sterling cash is held in UK and Guernsey bank accounts. All other cash balances are held in the relevant country of operation.

As at 31 December 2020, the cash balance of US$3.7 million (31 December 2019: US$9.6 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2020	31 December 2019
	US$000	US$000
Moroccan licences	500	650
	500	**650**

The funds are freely transferable but alternative collateral would need to be put in place to replace the cash security.

15 Leases

The lease relates to the UK office.

Right-of-use asset:

	31 December 2020	31 December 2019
	US$000	US$000
Brought forward	983	1,311
Depreciation	(328)	(328)
Carried forward	**655**	**983**

Lease liability:

	31 December 2020	31 December 2019
	US$000	US$000
Current	409	366
Non-current	440	820
Total lease liability	**849**	**1,186**

The maturity analysis of the lease liability at 31 December 2020 is as follows:

	31 December 2020	31 December 2019
	US$000	US$000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	454	439
Between one and two years	453	439
Between two and three years	-	437
Total undiscounted lease liabilities	**907**	**1,315**
Effect of interest	(58)	(129)
Total lease liability	**849**	**1,186**

16 Trade and other payables

	31 December 2020	31 December 2019
	US$000	US$000
Trade payables	816	1,235
Accruals	244	1,300
	1,060	**2,535**

The fair value of trade and other payables is equal to their book value.

17 Share capital

	Allotted, called up and fully paid			
	31 December 2020	31 December 2020	31 December 2019	31 December 2019
	Number	US$000	Number	US$000
Ordinary shares of 1p each[1]	**388,367,946**	**6,549**	**367,532,909**	**6,268**

1. The authorised and initially allotted and issued share capital on admission (19 May 2008) has been translated at the historic rate of US$GBP of 1.995. The shares issued since admission have been translated at the date of issue, or, in the case of share awards, the date of grant and not subsequently retranslated.

Details of the Ordinary shares issued are in the table below:

Date	Description	Price US$	No. of shares
1 January 2019	**Opening Balance**		**367,259,909**
20 June 2019	Issue of share award	1.35	40,000
20 June 2019	Issue of share award	0.50	233,000
31 December 2019			**367,532,909**
27 April 2020	Issue of share award	0.18	463,768
27 April 2020	Issue of share award	0.42	133,334
27 April 2020	Issue of share award	0.53	154,285
27 April 2020	Issue of share award	4.38	42,000

27 April 2020	Issue of share award	0.50	913,822
27 April 2020	Issue of share award	0.33	700,000
27 April 2020	Issue of share award	0.39	937,500
27 April 2020	Issue of share award	0.12	1,352,875
27 April 2020	Issue of share award	0.20	1,369,541
27 April 2020	Issue of share award	0.05	864,134
27 April 2020	Issue of share award	0.02	2,958,329
27 April 2020	Issue of share award	0.11	278,082
27 April 2020	Issue of share award	0.19	1,168,142
27 July 2020	Issue of share award	0.39	411,011
27 July 2020	Issue of share award	0.15	411,011
27 July 2020	Issue of share award	0.07	1,564,286
27 July 2020	Issue of share award	0.10	1,318,841
27 July 2020	Issue of share award	0.20	1,825,000
27 July 2020	Issue of share award	0.16	1,495,693
27 July 2020	Issue of share award	0.03	2,473,383
31 December 2020			**388,367,946**

18 Related party transactions

- Key management personnel comprises the Directors and details of their remuneration are set out in note 5 and the Directors' Remuneration Report.

- There were no related party transactions during the current year or year ended 31 December 2019.

19 Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. Throughout the year ending 31 December 2020, no trading in financial instruments was undertaken (31 December 2019: US$Nil). There is no material difference between the book value and fair value of the Group cash balances, short-term receivables and payables.

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). Throughout the year, the Group has held surplus funds on deposit, principally with its main relationship bank Barclays, on fixed short-term deposits. The credit ratings of the main relationship bank the Group holds cash with do not fall below A or equivalent. The Group does not undertake any form of speculation on long term interest rates or currency movements, therefore it manages market risk by maintaining a short-term investment horizon and placing funds on deposit to optimise short term yields where possible but, moreover, to ensure that it always has sufficient cash resources to meet payables and other working capital requirements when necessary. As such, market risk is not viewed as a significant risk to the Group. The Directors have not disclosed the impact of interest rate sensitivity analysis on the Group's financial assets and liabilities at the year-end as the risk is not deemed to be material.

This transactional risk is managed by the Group holding the majority of its funds in US Dollars to recognise that US Dollars is the trading currency of the industry, with an appropriate balance maintained in Brazilian Real, Sterling and Namibian Dollars to meet other non-US Dollar industry costs and ongoing corporate and overhead commitments.

At the year end, the Group had cash balances of US$3.7 million (31 December 2019: US$9.6 million) as detailed in note 14.

Other than the non-US Dollar cash balances described in note 14, no other material financial instrument is denominated in a currency other than US Dollars. A 10% adverse movement in exchange rates would lead to a foreign exchange loss of US$190,000 and a 10% favourable movement in exchange rates would lead to a corresponding gain; the effect on net assets would be the same as the effect on profits (31 December 2019: US$50,000).

Capital

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable it to meet its working capital and strategic investment needs. The Group currently holds sufficient capital to meet its ongoing needs for at least the next 12 months.

Liquidity risk

The Group's practice is to regularly review cash needs and to place excess funds on fixed term deposits. This process enables the Group to optimise the yield on its cash resources whilst ensuring that it always has sufficient liquidity to meet payables and other working capital requirements when these become due.

The Group has sufficient funds to continue operations for the forthcoming year and has no perceived liquidity risk.

Credit risk

The Group's policy is to perform appropriate due diligence on any party with whom it intends to enter into a contractual arrangement. Where this involves credit risk, the Group will put in place measures that it has assessed as prudent to mitigate the risk of default by the other party. This could consist of instruments such as bank guarantees and parent company guarantees.

As such, the Group has not put in place any particular credit risk measures in this instance as the Directors view the risk of default on any payments due from the joint venture partner as being very low.

20 Share based payments

Share Option Scheme

During the year, the Company operated the Chariot Oil & Gas Share Option Scheme ("Share Option Scheme"). The Company recognised total expenses of US$Nil (31 December 2019: US$Nil) related to equity settled share based payment transactions under the plan. All remaining options granted under the plan lapsed during the year.

The following table sets out details of options granted under the Share Option Scheme:

	31 December 2020	**31 December 2019**
	Number of Options	**Number of Options**
Outstanding at beginning of the year	**3,000,000**	**3,000,000**
Lapsed during the year	(3,000,000)	-
Outstanding at the end of the year	**-**	**3,000,000**
Exercisable at the end of the year	**-**	**3,000,000**

Long Term Incentive Scheme ("LTIP")

The plan provides for the awarding of shares to employees and Directors for nil consideration. The award will lapse if an employee or Director leaves employment.

Shares granted when an individual is an employee will vest in equal instalments over a three year period from the grant date and shares granted when an individual is a Director or otherwise specified will vest three years from the end of the year or period the period to which the award relates.

The Group recognised a charge under the plan for the year to 31 December 2020 of US$200,000 (31 December 2019: US$614,000).

The following table sets out details of all outstanding share awards under the LTIP:

	31 December 2020	31 December 2019
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**25,000,645**	**22,433,201**
Granted during the year	5,431,712	2,840,444
Shares issued for no consideration during the year	(20,835,037)	(273,000)
Lapsed during the year	(2,195,540)	-
Outstanding at the end of the year	**7,401,780**	**25,000,645**
Exercisable at the end of the year	**6,044,990**	**14,494,547**

Non-Executive Directors' Restricted Share Unit Scheme ("RSU")

The plan provides for the awarding of shares to Non-Executive Directors for nil consideration. An award can be Standalone or Matching.

Standalone share awards are one-off awards to Non-Executive Directors which will vest in equal instalments over a three year period and will lapse if not exercised within a fixed period on stepping down from the Board.

Matching share awards will be granted equal to the number of existing Chariot shares purchased by the Non-Executive Director in each calendar year capped at the value of their gross annual fees for that year. The shares will vest in equal instalments over a three year period and will lapse if not exercised prior to stepping down from the Board or if the original purchased shares are sold prior to the vesting of the relevant Matching award. Any potential Matching awards not granted in a calendar year shall be forfeited and shall not roll over to subsequent years.

The Group recognised a charge under the plan for the year to 31 December 2020 of US$22,000 (31 December 2019: US$37,000).

The following table sets out details of all outstanding share awards under the RSU:

	31 December 2020	31 December 2019
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**2,839,875**	**2,191,852**
Granted during the year	-	648,023
Outstanding at the end of the year	**2,839,875**	**2,839,875**
Exercisable at the end of the year	**2,407,860**	**1,981,193**

21 Contingent liabilities

From 30 December 2011 the Namibian tax authorities introduced a withholding tax of 25% on all services provided by non-Namibian entities which are received and paid for by Namibian residents. From 30 December 2015 the withholding tax was reduced to 10%. As at 31 December 2020, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2019: US$Nil). Any subsequent exposure to Namibian withholding tax will be determined by how the relevant legislation evolves in the future and the contracting strategy of the Group.

22 Events after the balance sheet date

The Directors consider these events to be non-adjusting post balance sheet events.

a) Acquisition of renewable and hybrid power developer focused on mining sector in Africa

On 23 March 2021 the Company announced that it had signed share purchase agreements (“SPAs”) for the acquisition of the business of Africa Energy Management Platform (“AEMP”) for consideration of up to US$2 million payable primarily in new Ordinary Shares. AEMP is a renewable and hybrid energy project developer, with an ongoing strategic partnership with Total Eren, a leading global player in renewable energy, predominantly in solar and wind.

The Company has incorporated a new 100% subsidiary, Chariot Transitional Power Limited, which signed SPAs with the shareholders of African Energy Management Platform and AEMP Essakane Solar SAS for the acquisition of the business of AEMP and the related 10% holding in the Essakane project.

Initial consideration payable on completion of the SPAs is US$1.16 million in new Ordinary Shares based on the 30-day VWAP prior to the signing of the SPAs (representing 9,196,926 shares) and US$0.09 million in cash which will be funded from Chariot’s existing reserves. Deferred consideration up to US$0.75 million is payable within a 24-month period dependent on certain project pipeline targets being met as well as the retention of key members of the AEMP team. This deferred consideration is payable in new Ordinary Shares based on the 30-day VWAP prior to the signing of the SPAs (representing a maximum of 5,946,288 shares).

b) Placing, subscription and open offer (the “Fundraising”)

On 18 June 2021 the Company announced the approval by shareholders at a General Meeting of a placing of and subscription for 212,553,929 new Ordinary Shares, 29,231,953 new Ordinary Shares by open offer and a further 9,633,534 new Ordinary Shares as third party fees in connection with the Fundraising at a price of 5.5 pence per share. The combined total of 251,419,416 new Ordinary Shares are expected to be admitted shortly and shortly thereafter the Company expects to receive the balance of proceeds totalling US$18.8 million.

Magna Capital LDA (of which Adonis Pouroulis is a substantial shareholder) has conditionally agreed to underwrite the Fundraising, ensuring that the total fundraising will equate to approximately US$23 million before expenses, by subscribing, in two tranches on or before 31 January 2022 and 28 February 2022, for new Ordinary Shares at the Issue Price (the “Underwriting Commitment”). Accordingly subsequent to the completion of the placing, subscription and open offer for net proceeds of US$18.8 million, the remaining Underwriting Commitment is US$4.2 million. Mr Pouroulis has personally sub-underwritten the Underwriting Commitment. The Underwriting Commitment is transferable at Magna’s sole discretion and shall reduce in equal proportion to any funds received separately by the Company from a farm-in or a further fundraise. The Underwriting Commitment constitutes a related party transaction.

c) Change of name to Chariot Ltd

On 18 June 2021 it was approved by shareholders to change the name of the Company from Chariot Oil & Gas Ltd to Chariot Ltd with immediate effect.