12 February 2015

Chariot Oil & Gas Limited

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

Analyst Day Update

Strategically positioned to withstand current market conditions and take advantage of opportunities

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, announces that it will be hosting a presentation today for a group of sell-side analysts.

The event will include an overview of Chariot's portfolio, during which the team will present the updated February 2015 corporate presentation and the forward programme within the context of the commentary below:

Strategic Positioning

As detailed in the pre-close update of 17 December 2014, whilst Chariot is aware of the impact of the recent oil price decline, it believes that it is in a strong position to not only withstand the current market conditions, but furthermore take advantage of opportunities that may arise as a result of the impact on the wider sector.

The Company holds a diverse portfolio with long-term, low-cost operated assets, with good commercial terms, which it has de-risked through partner participation and detailed technical work. Chariot is debt-free, with a strong cash position (US$53.5 million at 31 December 2014), and is fully funded to carry out all of its commitments at the same time as continuing to deliver on its strategy of zero cost exploration in the pursuit of transformational growth. Furthermore, with its fast follower positioning, Chariot continues to benefit from further de-risking its assets through its own technical analysis as well as evaluating information from third party activities, at no cost to Chariot and ahead of committing to drilling its own prospects. During the course of 2015, several wells are expected to be drilled by other operators in Morocco, Mauritania and Namibia, with ten wells due to be spud in the Barreirinhas basin, Brazil, in the next three years.

The Company believes that this position of strength is a result of its diligent portfolio management, focus on risk mitigation and capital discipline – all of which it will continue to carry out throughout 2015 and beyond.

Partnering

Chariot's technical team continues to work hard to mature its assets towards drilling and has now completed its interpretation of its proprietary 3D data offshore Mauritania, with four drill-ready prospects identified, each with over 400mmbbls of gross mean prospective resources (internal estimates). A dataroom has opened and an independently audited prospective resources report will be issued shortly.

In Morocco, following finalised interpretation of the Company's 3D data in H1 2015, a partnering process will commence and an independent audit on the prospectivity of the Loukos and Mohammedia licences will be carried out. An audit will also be carried out on the Rabat Deep licences, where Chariot has prepared its JP-1 prospect for a dataroom, should Woodside choose not to elect to carry the Company through a well, a decision on which is due by the end of Q2 2015.

In addition, seismic acquisition programmes are scheduled in 2015 offshore Brazil and Namibia with the aim of de-risking the Company's portfolio through the maturation of previously mapped prospectivity on legacy datasets, as well as to identify follow-on potential in a success case. Ongoing partner discussions regarding the opportunities in Brazil and Namibia will continue, with any material updates to be provided to the market accordingly.

Within the context of the current climate, Chariot is aware of widely publicised cuts in capital expenditure budgets, which may result in a lower number of dataroom attendees. Whilst this would mean a smaller pool of possible partners, Chariot has high potential and high margin assets, and is confident in its capability to describe the prospectivity within them – as has been demonstrated by the success in securing partners over the last two years. Furthermore, Chariot's deep water, high impact portfolio retains significant upside potential for investors, with the possibility for transformational growth even at current oil prices. Chariot's positioning enables it to take advantage of the oil price cycle and its low cost, long-term commitments are a key factor, allowing Chariot to retain its competitive stance in partnering discussions and ensure the best possible terms for the Company.

Additional Opportunities

Given the shift in the oil price and its economic impact across the sector, Chariot has re-evaluated the cost structures and associated commercial benefits of previously identified new venture opportunities. The new licence applied for in July 2014 remains technically attractive, however the Company has elected not to pursue this asset within the current business environment. Chariot still intends to use US$7.5 million of the funds raised in 2014 to pursue the Company's new venture strategy and continues to screen and evaluate several lower risk opportunities, including those that may now be distressed or were otherwise previously unobtainable, in order to expose itself to a range of potentially value-accretive assets.

Funding

The Group remains debt free and as at 31 December 2014 it held cash balances of US$53.5 million (unaudited) compared with US$37.5 million (unaudited) as at 30 June 2014 and US$56.7 million as at 31 December 2013. In addition, all contractual licence commitments are fully funded.

In August 2014, the Company successfully raised a net c.US$14 million by a share placing and in December 2014, the completion of the 25% farm-out of Rabat Deep in Morocco resulted in the receipt of a further US$10.3 million from Woodside. Further funds to carry Chariot on future work up to an agreed cap, including a multibeam side-scan sonar and seabed coring survey, are anticipated to be received from Woodside in 2015. An additional c.US$1.5 million is also expected following formal approval by the Brazilian authorities of the farm-out of 25% of the Brazilian blocks to AziLat.

As at 31 December 2014, US$13.4 million of the Company's cash balances were held as security against licence work commitments and these guarantees will significantly decrease in 2016 on the completion of the Brazilian 3D seismic processing.

Net cash utilisation of US$3.2 million in the year to 31 December 2014 comprised of:

- US$10.7 million in Morocco on 3D seismic acquisition and processing offset by the receipt of US$10.3 million of farm-out proceeds from Woodside;
- US$4.0 million on 2D seismic acquisition, processing and G&G in Namibia;
- US$4.2 million on capital gains tax and G&G in Mauritania and G&G in Brazil;
- US$8.1 million on other G&G and G&A;
- US$0.5 million of other costs and net finance/foreign exchange charges; and
- The receipt of c.US$14 million (net of expenses) of placing proceeds.

During 2015, Chariot expects to spend a net c.US$26.1 million further developing its portfolio as follows:

- US$2.0 million in Morocco on the 3D seismic programme and on further studies;
- US$9.8 million in Brazil on the 800km^2 3D seismic acquisition, processing and other G&G;
- US$5.8m in Namibia which primarily relates to the acquisition of 2D seismic;
- US$2.0 million in Mauritania relating to G&G;
- US$7.0 million on G&A;
- US$1.5 million on business development and other costs; and
- The Company also expects to receive farm-out proceeds of c.US$2.0 million being amounts due from Woodside and AziLat.

There will be no further new information released during the event and a pre-recorded audiocast of the Company's corporate presentation will be available on the website from 10am today.

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NOTES TO EDITORS

<u>About Chariot</u>

Chariot Oil & Gas Limited is an independent oil and gas exploration group. It holds licences covering four blocks in Namibia, one block in Mauritania, three blocks in Morocco and four licences in the Barreirinhas Basin offshore Brazil. All of these blocks are currently in the exploration phase.

The ordinary shares of Chariot Oil & Gas Limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.