19 March 2014

Chariot Oil & Gas Limited

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

Final Results

Chariot Oil & Gas Limited (AIM: CHAR), the independent Atlantic margins focused oil and gas exploration company, today announces its audited final results for the twelve months ended 31 December 2013.

Highlights during and post period:

Morocco

- Licence extensions secured for Loukos and Casablanca/Safi
- 11,000km of legacy 2D data across all licences reprocessed and interpreted
- Casablanca/Safi relinquished following extended technical evaluation; election to enter into First Renewal Phase, Loukos
- Mohammedia Reconnaissance licence signed, encompassing further potential identified in Rabat Deep and Loukos
- Seismic partnering process initiated

Mauritania

- Completion of 3,500km^2 3D seismic acquisition and processing in Block C-19
- Seismic farm-out completed with Cairn Energy Plc ("Cairn") with Chariot retaining 55% equity and operatorship of Block C-19, recovering most back costs

Namibia

- Licence extensions obtained for Southern Block 2714A and Central Blocks
- New licence granted for Southern Block 2714B recouping all of the original licence area in a new First Exploration Phase, until 31 May 2017
- Principal prospect B prioritised in Central Blocks: 469mmbbl gross mean prospective oil resource with 22% chance of geologic success – significant follow on potential in multiple fairways in the success case
- Partnering process initiated in Central Blocks
- Completion of 2,128 km 2D seismic 2714B, fulfilling all commitments

Brazil

- Broadened Atlantic margins portfolio through successful bids on four offshore exploration blocks in the frontier Barreirinhas basin
- Commenced Environmental Impact Assessment ("EIA") work to prepare for 2015 3D seismic acquisition

Corporate

- US$26m received following Mauritanian Government approvals on Cairn's farm-in
- Fully funded for all current commitments through to the end of 2015 with a cash position of US$56.7m at 31 December 2013
- Board strengthened with the appointment of George Canjar as Non-Executive Chairman; Matthew Taylor as Technical Director; Bill Trojan and Dave Bodecott as Non-Executive Directors

Outlook

- Debt free with all contractual commitments fully funded through to the end of 2015
- 1,700km^2 3D seismic campaign to kick off in Morocco Q2 2014
- Seismic partnering process to continue on Morocco and commence on Brazil (Q4 2014)
- Analysis of 2D data offshore 2714B, Namibia, to determine design of 3D seismic programme (Q4 2014)
- Forward programme for 2714A to be confirmed with partners Petrobras and BP
- Drilling partnering process to continue on Central Blocks, Namibia, and commence on C-19 Mauritania (Q2 2014) and Northern Blocks, Namibia (post third party drilling)
- A steady pipeline of drill ready prospects: Namibia – now; Mauritania in Q2 2014, Morocco in 2015 and Brazil in 2016. This provides the Company with the option, subject to partnering, to drill one well per year for the foreseeable future

Larry Bottomley, CEO, commented:

"Under a new executive management team, this year has seen significant technical and strategic developments and we have made substantial progress in the evaluation of the prospectivity of our assets. There has been a shift in focus towards mitigated risk and capital discipline, the framework of which has seen Chariot successfully diversify its portfolio into a new, highly prospective frontier province offshore Brazil and secure a partner in the seismic phase of exploration offshore Mauritania. We have managed our portfolio in a way which will enable us to capitalise on a lower risk, fast follower positioning, aspiring to "zero cost exploration" and allowing for optimum target maturation prior to drilling.

Chariot has a strong balance sheet and is able to fund all of its commitments and work programmes beyond 2014. We look forward to the year ahead, where partnering for drilling will be key for the testing of our assets through the drill bit."

Webcast

There will be an analyst conference call held at 9.30am GMT today. This will be recorded and made available on
our website (www.chariotoilandgas.com) as soon as possible post the event.

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Chariot Oil & Gas Limited

Chairman's Statement

Over the course of the last year, Chariot has made fundamental changes to the core of its business strategy and executive management team. The Company's primary goal remains the same and it continues to develop its portfolio towards the discovery of material accumulations of hydrocarbons. The path to delivery of that goal has been further protected by an increased focus on capital discipline and risk management. This is underpinned by a focus on portfolio balance, optimisation of early positioning, efficient investment recovery and targeted partnering leverage that will enable Chariot to execute its ongoing exploration programme. As a result, the Company is now driven by a long term, sustainable business model that will retain considerable upside for shareholders, at the same time as balancing risk through committed portfolio diversification.

Strategic Positioning within the Atlantic margins

Portfolio Diversification

Over the course of the last 18 months, Chariot has diversified its Namibian focus towards a broader Atlantic margins theme, with the portfolio now spread across the established, emerging and frontier provinces of Namibia, Mauritania, Morocco and, more recently, the Barreirinhas basin offshore Brazil. These regions are under-explored, with high volume prospectivity already identified. The potential exists not only in locally proven play types but also in significant analogue discoveries on the corresponding conjugate margins. Examples include recent Nova Scotia discoveries comparative with offshore Morocco and the producing Jubilee project offshore Ghana relative to the Company's Brazilian acreage. As a result, Chariot now has a wider collection of opportunities covering a range of geographies and exploration maturity within its portfolio. This balance provides a solid platform for a sustained growth rate combined with a high level of optionality as the programme progresses.

Fast Follower

In line with the Company's strategy, Chariot's in-house team acquired and operated, large equity positions in these under-explored, highly prospective regions at low cost with minimal commitment. During the course of 2013, the Company used this early entrant vantage point to reposition itself from being a 'play opener' to that of a 'fast follower'. This meant that, using its re-awarded and extended licence periods in Namibia and its long exploration permits offshore Morocco, Mauritania and Brazil, it could combine its proprietary data with that of the information from growing third party activity in close proximity to work up optimum prospects for drilling. This ensures that, in these under-explored regions, stakeholders are exposed to the highest chance of success with a lower capital expenditure and better risk mitigation. There has been a notable growth of industry interest within the regions in which Chariot holds acreage over the last year and, with numerous drilling campaigns planned for the year ahead, the Company will seek to continue to profit from this strategic positioning going forward.

Leveraged Partnering, Capital Discipline and Portfolio Management

In addition to positioning itself as a fast follower, the Company has also focused its strategy on delivering leveraged partnerships to reduce risk and cost exposure and to accelerate its work programmes. The key benefits of partnering are not only to share in the costs and risk of exploration, and to benefit from the experiences and alternate viewpoint that partners bring, but also to provide critical third party validation to the asset. Through the farm-out of Block C-19, Mauritania, to Cairn, as announced in August 2013, the Company recovered the costs of its 3,500km^2 3D seismic campaign as well as a share of other back costs. This means that Chariot now holds a 55% interest in a transformational opportunity that it continues to operate. This "zero cost exploration" aspiration exemplifies the Company's shift of focus to capital discipline. Using the abilities of its technical team, it will continue to develop its opportunities to the standard sought by the key industry players in order to partner across the portfolio. In addition, the Company continually evaluates an opportunity's risk versus value at each stage of its development, ensuring that the portfolio is managed in line with its potential to deliver transformational growth.

Governance

Behind the adjustment of the Company's strategic outlook has been a new executive management team and a significantly strengthened Board. We were disappointed to lose Philip Loader in June 2013 owing to the requirements of his new position at Woodside Petroleum Ltd. We thank him for his contribution to the Company's development and we wish him the best in his future ventures. It was at this time that I moved from being Senior Independent Non-Executive Director to become Non-Executive Chairman. I welcomed the opportunity to be more directly involved in working with the exemplary management and exceptional technical staff. I look forward to working with all stakeholders to deliver the clear potential of Chariot's portfolio and reach its goal of transformational growth. In June 2013 we also welcomed Matthew Taylor, who had been Director of Exploration of the Company for four years, to the Board as Technical Director, joining Mark Reid (CFO) and Larry Bottomley (CEO) to make up the Executive Management Team. Matthew has over 30 years of experience in the exploration and production sector and has, and continues to, provide invaluable understanding and knowledge of the portfolio and the geological make-up of the regions in which we work.

Post period, in February 2014, we welcomed geologists Bill Trojan and Dave Bodecott to the Board, both of whom have significant industry experience and whose independent insight will further enhance the Board's decision-making and strategic planning. In addition, their in-depth knowledge specific to the regions where we hold acreage, combined with their considerable experience in exploration projects, will prove invaluable to the ongoing development and maturation of the Company's portfolio. As a result of this evolution, we believe that a good balance of corporate focused and technically minded contributors to the Board has been achieved and will continue to drive the Company towards delivering shareholder value.

Regional Relationships

Building and maintaining strong relationships within the countries where we work is of the utmost importance to Chariot. Throughout the year we have held regular technical and operating meetings with the state oil companies, relevant ministries and service companies within each of the regions in which we hold acreage. This ensures that all parties involved in our operations are kept aware of our plans and progress. The value implication of this can be seen through the licence extensions that the Company obtained offshore Namibia and Morocco in H1 of 2013. In sharing the Company's development and technical progress within each of its licences, it was able to secure and extend potentially valuable contract areas with the support of the appropriate governing bodies. This ensured that in collaboration with our partners, Chariot can optimally mature the assets prior to entering the next phase of exploration.

We would like to thank the Governments and Energy Ministries of Morocco, Mauritania, Namibia and Brazil for their continued support and cooperation as well as the state oil companies with which we are partnered – ONHYM, SMH and NAMCOR – for their ongoing technical insight and collaboration.

Conclusion

The last year has seen some important changes to Chariot's executive management and structure with a shift in the strategy towards more active portfolio risk management and capital discipline. Chariot has rebuilt its foundations to sustain regular drilling activity in the coming years, giving its stakeholders the opportunity for ongoing growth and long term value creation. Using this strength, the heightened industry interest in our assets and our continued technical excellence, we look forward to securing partnerships that will enable the Company to test its prospects with the drill bit. All of Chariot's commitments are fully funded beyond 2014 and we will continue to pursue our "zero cost exploration" ambition to drive the Company forward.

George Canjar

Chairman

18 March 2014

Chariot Oil & Gas Limited

Chief Executive Officer's Review

Chariot is an exploration Company that seeks transformational growth through the discovery of material hydrocarbon accumulations for the benefit of all stakeholders. Since joining the Company in 2011, I have worked with the team to develop a diversified and balanced portfolio of highly prospective opportunities and the Company now holds acreage that has a range of risk and maturity. In order for this to be realised, we have developed an in-house skillset that has demonstrated the ability to identify and mature assets. We have the capacity to describe our assets for the purpose of securing partners who will provide funding, additional technical insight, and validation in carrying the prospects through to drilling. Chariot has a track record for securing leveraged partnerships and we are focused on delivering partners to see our prospectivity tested across the portfolio.

Technical developments

As well as the strategic developments that the Company has built on over the last year, it has also made significant advances in its technical analysis in all of its regions of interest. Further to adding another new venture to the portfolio offshore Brazil, a substantial amount of data has been acquired, processed and interpreted during the course of this year which has enhanced the Company's understanding of its assets and developed the case for further exploration development.

Concurrent to this, the Company has leveraged its strong relationships for data sharing and has been able to integrate the information from third party activity into the understanding of its portfolio. In combining this additional insight into our own database, we have been able to maximise the value associated with our assets in order to provide the best description of our acreage for obtaining partnerships to carry the programme forward.

Growing industry interest – "hot acreage"

Chariot's ability to identify and access high quality, high potential acreage has been exemplified in the last 18 months, with majors and large independents establishing acreage positions in the regions in which Chariot operates. This not only validates the team's capabilities and the prospectivity associated with the regions but also provides multiple value triggers with up to 15 third party wells being drilled during the course of the next two years.

Within the portfolio, Chariot has identified a variety of play fairways, both proven and new. This increased third party drilling activity will test some of these plays, allowing Chariot to identify and further its understanding on the working of the petroleum systems without having to test through the drill bit. This will support Chariot in targeting those prospects that it has de-risked as far as possible within the proven play systems and allow for a further understanding of the new and unproven plays. The potential read-through that this may provide ensures that Chariot guards its capital for drilling these higher risk opportunities as a fast follower with an improved chance of success.

Partnering – the key to drilling

It is the quality of the assets and the technical analysis that will be the key driver towards gaining a partner for drilling in the coming year. It is through this partnering that Chariot aims to validate the potential of its assets, improve the quality of the technical description through the contributions of these partners and fund its drilling activities, and we will not look to drill without this endorsement from within the industry.

With leveraged partnering being fundamental to the Company's business, it has spent a significant amount of time analysing this process and, over the course of the last year, has developed its partnering strategy to that of a two-tier process. Going forward, the Company will look to partner firstly during the 3D seismic phase and secondly for drilling. This should reduce the Company's risk and cost exposure but not limit the opportunity for transformational growth as Chariot has entered each of its licences with significant equity interest and operatorship. As a consequence, the Company will retain significant equity in the licences at the exploration drilling phase.

This has been implemented offshore Mauritania where the team successfully partnered with Cairn at the seismic level, as announced in August 2013. The Company now holds a 55%, near zero cost operated position in country, with 3,500km^2 of 3D proprietary data. A second tier partnering process to secure an additional partner and help fund drilling is anticipated to commence in Q2 2014, following the interpretation of the 3D data, at which point an audited resource update is expected to be released.

During the course of 2014 the Company has initiated first tier partnering based on legacy 2D data on its Moroccan acreage and will look to commence this process for its Brazilian acreage in Q4 2014. A 3D seismic programme will be initiated during or shortly after these processes, which, once interpreted and drilling prospects are identified, will be used for the purpose of securing partners for drilling in a second tier partnering process, anticipated to commence in 2015.

In terms of partnering offshore Namibia, in the Central Blocks the Company is currently undergoing a process based on its 3D data interpretation and information from third party drilling and the market will be updated with its progress as appropriate. In its Northern Blocks, the Zamba prospect has been identified as a priority drilling target. In line with its strategy of leveraging third party information at no cost, the Company will await the implications of third party drilling due in Q2 2014, which should indicate the possibility for long range hydrocarbon migration, prior to deciding on its ongoing activity on the licence.

Other Upcoming Activity

As well as these partnering processes, the Company will continue its own in-house technical evaluation of its assets at the same time as integrating crucial information that will be provided in the numerous third party drilling programmes in close proximity to its acreage. This will include:

- The acquiring and processing of 1,700km^2 of 3D seismic offshore Morocco. Part of this survey will further the understanding of the Mio-Pliocene and Jurassic play potential in Loukos and Mohammedia Reconnaissance and the remainder will focus on the Jurassic carbonate play in Rabat Deep – where a prospect is already defined and the 3D data is primarily intended to optimally locate a well.

- The final PSDM interpretation of the 3,500km^2 seismic data offshore Mauritania – in order to mature prospects for drilling in Block C-19.

- The processing and interpretation of 2,128km of 2D seismic in Block 2714B, Namibia – to identify key areas of interest for a future 3D seismic programme.

- The completion of the EIA process offshore Brazil which will be followed by an 800km^2 3D seismic programme.

In terms of third party drilling and implications during the course of 2014/2015:

- The Pliocene, Jurassic and Early Cretaceous plays will be tested offshore Morocco in more than ten wells.

- Five wells will test the slope fan, stratigraphic trap and turbidite channel plays offshore Mauritania.

- The deeper petroleum system and long range migration will be tested offshore Namibia at Welwitschia in Q2 2014.

- In Brazil, over 8,000km^2 of 3D seismic data will be acquired and nine wells drilled testing the Barreirinhas basin within the next four years with one well immediately adjacent to Chariot acreage.

With the combination of successful partnering, the continued application of technology and the evaluation and integration of third party activity, it is anticipated that the Company will drill at least three wells within the next three years.

The Chariot Team

Behind the exceptional work that has been carried out across the Chariot portfolio is a highly knowledgeable, driven and competent team. Having a combined experience of more than 200 years, its members have been party to the identification, development and operations of several major discoveries worldwide for a variety of super majors, majors and large independents. Capitalising on this previous experience, the team is not only capable of seeking highly prospective acreage and maturing it through to drilling but it also understands the high standard of description that is necessary to present to potential partners. All of our technical evaluation and datarooms are managed in-house, ensuring the effective communications of first rate, fully informed descriptions. Our skills and capabilities are recognised throughout the industry, with a track record of successful partnering to date.

During the last 18 months, the Company's portfolio has doubled in size. In order to maintain the momentum of exploration activity and the high calibre of work, we have expanded the technical team accordingly. Importantly, this has been managed in such a way that the Company will maintain G&A capped at 2013 levels.

Following Matthew Taylor's appointment to the Board, Chariot welcomed Duncan Wallace as Exploration Manager to manage the exploration activity and its development across all of the portfolio. Duncan has a wide variety of technical and managerial experience and has overseen the full cycle of exploration in a new country, from office set-up and team recruitment, seismic acquisition and processing, to prospect maturation, well planning, drilling, appraisal and development. During the period, he was also joined by an additional two geologists and a further senior geophysicist.

Using this skill set the Company will not only continue its progression but also its portfolio management, ensuring that all forward programmes have an appropriate balance of risk and reward. It is a pleasure to be a part of this exciting team as we mature our assets for drilling. I would like to thank all of the Chariot staff for their hard work and efforts over the course of the last year.

New Ventures

Chariot will continue to scope out early entrant, low cost, giant opportunities in the long term, however its near term focus is to progress and de-risk its existing assets through continued technical analysis and partnering.

Looking Forward

With its highly experienced team, the focused strategy, risk management, capital discipline and careful planning, the Company has developed the portfolio while repositioning itself to capitalise on third party participation. The Company now holds a balanced portfolio, not only in terms of geological diversification but also in the exploration maturity of each of its assets. As a result, Chariot has a pipeline of giant drilling opportunities and anticipates drilling, subject to the securing of partners, a minimum of three wells within the next three years.

The year ahead is an exciting one. The coming months will be focused on the progression of our portfolio towards the first and second tiers of farm-out, advancing our assets towards the drilling phase and I look forward to reporting on our progress.

Larry Bottomley

Chief Executive Officer

18 March 2014

Chariot Oil & Gas Limited

Chief Financial Officer's Review

Funding and liquidity as at 31 December 2013

During 2013 the Group continued with the development of its portfolio and business by investing US$37.6m into its exploration portfolio and administration activities (31 December 2012: US$142.4m). Despite this significant investment, the Group's cash balances only reduced by US$11.6m to US$56.7m as at 31 December 2013 (31 December 2012: US$68.3m) due to the recovery of circa US$26m from the successful farm-out of 35% of Block C-19, Mauritania, to Cairn. This recovery of previously invested amounts into our portfolio is in line with one of the Group's strategic objectives of aiming for "zero cost exploration" and this is something that it will continue to strive to achieve going forward. The Group remains debt free as at 31 December 2013 and, using strict capital discipline, it will continue to invest in its portfolio and business activities during 2014 and beyond. As at 31 December 2013, US$16.0m (31 December 2012: US$11.0m) of the Group's US$56.7m (31 December 2012: US$68.3m) cash balances were held as security against licence work commitment bank guarantees.

Financial performance – Year ended 31 December 2013

The Group's loss after tax for the year to 31 December 2013 was US$10.5m, which is US$78.1m lower than the US$88.6m loss incurred for the year ended 31 December 2012. This US$78.1m reduction in the year on year loss is mainly due to the one-off US$80.9m impairment charge recognised for the Tapir South well in the year to 31 December 2012.

Share based payments of US$2.2m for the year ended 31 December 2013 were US$0.4m higher than the US$1.8m for the year to 31 December 2012. This increase was mainly due to the year ended 31 December 2013 reflecting the full year effect of an award of deferred shares made to staff in Q4 2012.

Other administrative expenses of US$6.0m for the year ended 31 December 2013 were US$1.5m lower than the US$7.5m incurred for the year to 31 December 2012. This US$1.5m reduction was due to the non-recurrence in 2013 of certain organisational restructuring costs that were incurred in 2012, a higher proportion of salaries being time-written to the Group's oil and gas exploration and appraisal assets in 2013 and the impact of various cost saving initiatives that were implemented throughout the Group during 2013.

Finance income of US$0.8m for the year ended 31 December 2013 comprises interest on cash balances which, as a result of lower average cash balances during 2013, is slightly lower than the US$0.9m achieved for the year ended 31 December 2012. Finance income for the year ended 31 December 2012 also included US$0.7m of exchange gains on foreign currency balances. For the year ended 31 December 2013, the Group incurred exchange losses of US$1.2m and these are included separately within Finance expense.

As a result of the successful farm-out of 35% of Block C-19, offshore Mauritania to Cairn, the Group incurred a US$1.7m Capital Gains Tax liability in Mauritania and this is the significant majority of the US$1.8m tax expense in the year to 31 December 2013 (31 December 2012: US$Nil).

Exploration and appraisal assets as at 31 December 2013

During the year to 31 December 2013, the Group's exploration and appraisal assets reduced by US$8.3m to US$128.3m from US$136.6m as at 31 December 2012. The reason for this reduction was that the circa US$26m receipt for the farm-out of 35% of Block C-19, offshore Mauritania to Cairn is netted off against the US$18.1m of portfolio expenditure incurred in the year. The make-up of this US$18.1m of 2013 portfolio expenditure is broadly split as follows: in Mauritania, US$8.9m was incurred completing the acquisition and processing, significantly advancing the interpretation, of the 3,500km^2 3D survey undertaken on the block; in Namibia, US$5.1m was incurred across all the Group's licences, however the majority of this related to the commencement of a 2,128km 2D seismic survey in the 2714B Southern Block. In Brazil, US$2.7m was incurred to cover the signing bonuses for the four new licences awarded at the 11th Bidding Round, the acquisition of existing legacy seismic data relating to the Group's licences and the establishment of the Group's office and business in country. In Morocco, the Group incurred US$1.4m acquiring and interpreting

11,000km of legacy 2D data to better understand the prospectivity in its blocks and to identify areas for its 3D programme planned for 2014.

Other assets and liabilities as at 31 December 2013

The Group's inventory balance of US$7.2m as at 31 December 2013 is unchanged from 31 December 2012.

As at 31 December 2013, 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$4.4m. As at 31 December 2012, this net current liability position was higher at US$16.3m.

Outlook

As highlighted above, with US$56.7m of cash balances as at 31 December 2013, the Group is well funded to continue investing in its portfolio throughout 2014 and beyond. In Morocco, the Group will carry out a 1,700km^2 3D survey on its Rabat Deep, Loukos and Mohammedia Reconnaissance licences. This survey aims to identify locations for potential drilling with a partner in 2015/2016. The Group will also complete the interpretation of its 3,500km^2 3D survey in Mauritania and will look to introduce a drilling partner to fund its share of a well in 2015. In Namibia, the Group will continue with its well partnering process for the Central Blocks and will also complete the acquisition, processing and interpretation of a 2,128km 2D seismic survey in its 2714B Southern Block with a view to highlighting potential areas of prospectivity for a follow on 3D survey with a partner in 2015. Finally, in Brazil, the Group will undertake the necessary environmental approval processes to enable it to complete, with a partner, its 768km^2 3D survey licence commitment during 2015.

Mark Reid

Chief Financial Officer

18 March 2014

Review of Operations

Emerging and Established Basins – Morocco and Mauritania

Morocco and Mauritania lie in the Central Atlantic which rifted in the Triassic and became established as a passive margin in the Jurassic. As a consequence of this common geological development, these countries have similar petroleum systems with potential in the Jurassic carbonate platform and in the subsequent Cretaceous and Tertiary-aged deepwater turbidite systems. The region has become an area of increasing industry interest over the last few years, in part due to the successes on the conjugate margin in Nova Scotia. The Company's success in securing acreage in Morocco and Mauritania highlights Chariot's capability to recognise potential ahead of the industry as an early entrant. Chariot has also been able to shift its positioning to that of a fast follower due to this heightened industry activity which offers additional risk management and mitigation.

Morocco

Chariot holds a 75% equity interest and operatorship across the Loukos, Rabat Deep and Mohammedia Reconnaissance areas in the north near shore of Morocco with a total area of circa 16,500km^2. Geologically, Morocco is a region of great interest as it allows the Company to expose itself to the testing of multiple high potential proven and new play fairways, notably those that are geologically analogous to the giant discoveries of Nova Scotia on the conjugate margin. Commercially, Morocco has some of the most competitive fiscal terms in the world that are supported by a robust regulatory framework and highly regarded state oil company, ONHYM, with whom Chariot is partnered (25% carried interest during the Exploration Phase). Since Chariot's entry into the region, multiple industry players have also recognised the potential offshore and the Company expects more than ten wells to be drilled along the margin over the course of the next two years.

During 2013, the team reprocessed and interpreted 11,000km of 2D seismic data across its acreage which markedly improved its understanding of the assets and resulted in a shift in its positioning in country: Chariot retained its acreage in the Rabat Deep licence area; elected to enter the next phase of exploration in the Loukos licence area; and relinquished the Casablanca/Safi licence as this acreage was deemed to be too high risk to justify further investment by the Company. In 2014, it applied for and was awarded the Mohammedia Reconnaissance licence area (subject to final approval from the relevant authorities).

In the Loukos licence, the team has identified a significant Mio-Pliocene lead that extends into the Mohammedia licence area. This is a large, attribute-supported shallow water gas lead that could provide, in the success case, near term production.

In the Rabat Deep acreage, the Company has identified a further two plays. Firstly, the source rock is modelled to be oil generating adjacent to a large 149km^2 four-way dip faulted carbonate structure with a gross mean prospective resource potential (based on 2D seismic) of 568mmbbls. This prospect is supported by extensive on-block oil slicks, seeps and seismic Direct Hydrocarbon Indicators ("DHIs"). An additional six leads within the Jurassic have also been identified meaning that the Company is exposed to significant follow-on potential. The Jurassic has seen light oil production onshore, adjacent to Chariot's acreage position, whilst Jurassic carbonates host one of the largest fields in the conjugate Nova Scotia basin.

Secondly, the team has identified a Cretaceous play in the salt basin, with salt structures and turbidite seismic facies. Cretaceous age sands contain much of the hydrocarbons found to date in the Nova Scotia basin and deepwater sands of this age now form a primary focus for major industry players not only in the Nova Scotia basin but also in Morocco. The Company will analyse and integrate the outcomes of near term drilling resulting from this focused effort to develop its understanding of the risk and reward characteristics of the play in Rabat Deep.

Post period, the Mohammedia Reconnaissance licence was obtained to secure potential in both the Jurassic play (seen by the interpretation team to extend from Rabat Deep) and the Mio-Pliocene play (extending from Loukos).

Forward Plan:

Chariot will acquire 1,700km^2 of 3D seismic over its Moroccan acreage in Q2 2014. In Rabat Deep this seismic will be used to identify the best well location for the drilling of the Jurassic carbonate prospect. In terms of Loukos and Mohammedia Reconnaissance, this data will be used to further mature and develop the prospectivity of the Mio-Pliocene play as well as the Jurassic play that extends into Mohammedia from Rabat Deep. Concurrent to this seismic acquisition, Chariot has initiated its first tier farm-out in order to gain a partner to share in the costs for the 3D programmes. Following its interpretation, the team will be looking to secure a drilling partner, the intent being to drill offshore Morocco in 2015.

Remaining commitments: following the completion of the 1,700km^2 3D seismic acquisition, all licence commitments will be satisfied.

Mauritania

Following the recent partnering with Cairn, the Company holds 55% equity and operatorship of the Block C-19, with Cairn holding 35% and the state oil company, SMH, retaining the remaining 10% carried portion. The block is located in the offshore and spans 12,175km^2 (gross) with water depths of circa 5m – 2,100m.

Mauritania is an established oil producing region with multiple discoveries to date and most recently a new oil play in the Late Cretaceous has been proven in the Frégate prospect. Further field developments as well as several wells are scheduled for drilling this year by third parties, which the Company will use to further its knowledge and understanding of its own licence prospectivity.

As well as the producing Chinguetti field that lies to the south of Chariot’s acreage, there are seven wells in the vicinity of Block C-19, with four discoveries (Aigrette, Pelican, Cormoran and Frégate) and two wells in the block with significant oil shows. Within the block itself there is proof of working petroleum systems in the Cretaceous, Neogene and Palaeogene, with source rocks modelled to be oil generating. There are also extensive natural slicks indicating oil seepage.

From the fast track data of its 3,500km^2 3D seismic campaign, Chariot has identified giant deepwater canyon head, channel and fan plays. In December 2013, the team received the final PSDM and it is anticipated that the team will be able to mature the current leads into prospects. This analysis will be completed by Q2 2014, at which point Mauritania will be drill ready, subject to partnering and securing a rig.

Forward Plan:

Chariot aims to complete the interpretation of the final PSDM data from the 3,500km^2 seismic programme during the course of Q1 2014. Once this is complete, the Company will release a resource update and open up a second tier dataroom in order to secure an additional partner for drilling in 2015.

Remaining commitments: there are no remaining commitments within this phase of exploration.

Frontier Basins – Namibia and Brazil

Namibia and the Barreirinhas region of Brazil are both considered frontier basins in the context of their highly underexplored status. Both areas lie within the South Atlantic but not within the “Aptian Salt Basin” which has been relatively intensely explored. In the absence of salt, structural trap development is limited and so these parts of the South Atlantic have seen comparatively little exploration. Nevertheless enough wells have been drilled to demonstrate that world class source rocks and excellent Cretaceous-aged deep water turbidite reservoir rocks are present. With the availability of high quality 3D seismic, operators prepared to invest in large 3D surveys can identify the stratigraphic traps which were effectively invisible to the industry in the past. Offshore Namibia, recent exploration well information has heightened industry interest and de-risked prospectivity in the region. In Brazil, the Barreirinhas basin saw significant industry competition in Round 11 (2013) because this region is conjugate to Ghana, where the giant Jubilee and TEN discoveries have been made in the same play systems that Chariot and other industry players are targeting.

Namibia

Chariot's acreage offshore Namibia is divided into three geologically distinct basins in the North, Centre and South, spanning a total of four licences across an area of approximately 33,000km^2 (gross).

As a frontier province, Chariot entered Namibia as a play opener and, having acquired, processed and interpreted 8,000km^2 of 3D seismic and drilled two deepwater exploration wells, it has secured one of the largest databases of seismic and well data across the region. In the last two years, five wells have been drilled in the deepwater and, whilst there has been no commercial discovery, these have proved that all the components needed for a working petroleum system are present. This has not only been very positive for the prospectivity of Chariot's licences but it has also heightened third party interest in the region with key industry players farming into assets in the offshore during and post period.

Central Blocks

Chariot holds a 90% interest and operatorship in the Block 2312 A&B and the northern halves of Block 2412 A&B in partnership with AziNam (10%) following the transfer of this interest from PGS to its associate company.

Following the interpretation of its 3,500km^2 3D seismic campaign, the Company identified significant potential in both the shallower and deeper petroleum systems that exist offshore Namibia. The Company requested and was awarded a licence extension to allow sufficient time to integrate the additional information from third party drilling which occurred in close proximity to its acreage during 2013. Using proprietary well data and the information provided from these additional wells the team was able to substantially de-risk the shallower petroleum system, which is now a priority focus. In September 2013, at the same time as initiating a partnering process, we released a resource update, highlighting the potential of this shallower petroleum system where the Upper Cretaceous turbidite clastic reservoirs have been identified in a variety of stratigraphic and structural traps, with the potential for oil charge from locally mature marine source rocks.

The importance of Chariot's acreage position in the Central Blocks is that if its principal drilling candidate, Prospect B, which has been audited with an unrisked gross mean prospective oil resource of 469mmbbls and geologic success of 22% proves the play to be effective, it will unlock a further five prospects of similar size and de-risk an additional six leads, ranging from 213mmbbls – 1,487mmbbls.

Forward Plan:

A partnering process is underway and the market will be updated with its progress as appropriate.

Remaining commitments: there are no remaining commitments within this phase of exploration.

Southern Blocks

Chariot holds a 25% equity interest in Block 2714A with Petrobras (operator) holding 30% and BP 45%. In 2013, having seen significant potential highlighted through proprietary well information on block 2714A, the Company applied for and was re-awarded Block 2714B with an 85% operating interest, carrying the state oil company, NAMCOR, and Quiver, a BEE, 10% and 5% respectively.

Using the information provided from the dry Kabeljou-1 well, which Chariot participated in with Petrobras and BP in 2012, the partnership was able to demonstrate that an excellent source rock exists in the shallower petroleum system offshore Namibia. Whilst this was marginally mature in the well, the increased depth of burial in block 2714B suggests that this will be mature for oil generation with the potential to charge deepwater canyon head, channel and fan plays identified on legacy, sparse 2D data. In order to gain a more accurate understanding of the prospectivity within this acreage, Chariot has accelerated its work programme in this region and completed its work commitments for the entire four year period by acquiring a 2,128km 2D seismic programme. Using this data, Chariot aims to identify specific areas of interest for designing a 3D programme which will be used to define candidates for drilling.

Forward Plan:

In Block 2714B, key areas of high potential deepwater canyon head, channel and fan plays, similar to that of the Central Blocks, will be interpreted from the recent 2D data acquisition, due to be completed in Q4 2014. A forward plan will then be decided for the acquisition of a 3D seismic survey.

Chariot sees high potential in its southern acreage, and whilst it cannot comment on its partners' participation plans, it will look to pursue the high potential identified in the shallower petroleum system, as well as to further analyse the opportunities presented in the deeper petroleum system on the blocks.

Remaining commitments: there are no remaining commitments in Blocks 2714A and 2714B within their respective phases of exploration.

Northern Blocks

In the north, Chariot holds 100% interest in Blocks 1811 A&B.

In 2012, the Company drilled and successfully operated the Tapir South well. Whilst the well was dry and subsequently plugged and abandoned, the Company believes that there remains turbidite clastic and sub-salt carbonate potential in the block.

The well encountered excellent reservoir and fluid inclusions which indicate an oil charge that pre-dates structural formation. Following the completion of the Tapir South well, Chariot undertook a petro-physical and seismic processing analysis to identify where oil charged sands might exist. Using this analysis, the Company identified that there is a case for hydrocarbon charge in the Company's Tapir North prospect, which is an attribute supported turbidite clastic prospect adjacent to the mapped source kitchen. This, however, is a stratigraphic trap and there is a risk that seal may not be present updip to the east. Importantly, this does mean that there is a possibility for long range migration into the Zamba prospect, which is now a drill ready, priority target.

The Zamba Main prospect is deemed to contain a gross mean unrisked prospective resource of 375mmbbls, with an upside of 540mmbbls should the wider Zamba complex, which would combine a variety of reservoirs within the area, be successful. Whilst this prospect is drill ready, Chariot is aware that third party drilling, due in Q2 2014, may have implications for de-risking this prospect and, as such, will await these results prior to determining the forward programme.

Forward Plan:

The Zamba prospect is drill ready and Chariot will await third party drilling results, which will provide an indication of the possibility for long range hydrocarbon migration, prior to determining its forward plans.

Remaining commitments: there are no remaining commitments in this licence period.

Brazil:

In May 2013, Chariot was successful in bidding for exploration blocks in the Barreirinhas basin offshore Brazil. Chariot now holds 100% interest and operatorship in four 'shallow water' exploration licences, BAR-M-292, BAR-M-293, BAR-M-313, BAR-M-314. Combined, these span a region of 768km^2 and the blocks are located approximately 70km offshore in water depths ranging from 85m to 1,700m.

The Barreirinhas basin lies on the north eastern coast of Brazil along the transform margin that is conjugate to the Atlantic offshore basins in Côte d'Ivoire and Ghana which have seen recent significant oil and gas discoveries. The acquisition of these licences exemplified Chariot's ability to identify high potential, low cost options in underexplored regions. Qualifying as a shallow water operator, Chariot sought out the regions in which the deepwater petroleum systems extended into those blocks that were deemed by the ANP to be in the shallow water. This meant that whilst super majors and majors made extremely competitive bids and well commitments on "deep water" acreage adjacent, Chariot was able to win its "shallow water" acreage for a minimum signature bonus and a seismic option.

Since the acquisition, Chariot has initiated an EIA process in order to progress towards its 3D seismic commitment, which it anticipates commencing in 2015. On the legacy 2D datasets Chariot has identified on-block evidence for sufficient burial of the Cenomanian-Turonian source rock for hydrocarbon generation, supported by potential seismic DHIs. Further to this, a large roll-over structure has been identified with deepwater turbidite seismic facies and fan entry points. Whilst this is a frontier province with only three deepwater wells to date, the same plays have been proven in the giant discoveries on the conjugate margin in Ghana and the deepwater play components (source, reservoir and seal) have been demonstrated in wells drilled adjacent to Chariot's acreage.

Forward Plan:

The Company will continue to progress the EIA process in order to prepare its acreage for the 800km^2 3D seismic campaign. A first tier partnering process will commence in Q4 2014, with 3D expected in 2015. Following the acquisition, processing and interpretation of this data, the Company will look to commence its second tier farm out process in order to gain a partner for drilling in 2016.

Remaining commitments: 768km^2 of 3D seismic data acquisition.

Matthew Taylor

Technical Director

18 March 2014

Chariot Oil & Gas Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2013

	Notes	Year ended 31 December 2013 US$000	Year ended 31 December 2012 US$000
Share based payments	20	(2,219)	(1,793)
Impairment of exploration asset	11	-	(80,853)
Other administrative expenses		(6,008)	(7,476)
Total operating expenses		(8,227)	(90,122)
Loss from operations	**4**	**(8,227)**	**(90,122)**
Finance income	7	758	1,561
Finance expense	7	(1,177)	-
Loss for the year before taxation		**(8,646)**	**(88,561)**
Tax expense	9	(1,809)	-
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(10,455)**	**(88,561)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	**10**	**US$(0.05)**	**US$(0.45)**

All amounts relate to continuing activities.

The notes below form part of these financial statements.

Chariot Oil & Gas Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2013

	Share capital	**Share premium**	**Contributed equity**	**Share based payment reserve**	**Foreign exchange reserve**	**Retained deficit**	**Total attributable to equity holders of the parent**
	US$000	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**
As at 1 January 2012	**3,457**	**275,885**	**796**	**4,389**	**(1,241)**	**(46,615)**	**236,671**
Total comprehensive loss for the year	-	-	-	-	-	(88,561)	(88,561)
Issue of capital	287	48,450	-	-	-	-	48,737
Issue costs	-	(1,994)	-	-	-	-	(1,994)
Share based payments	-	-	-	1,793	-	-	1,793
Transfer of reserves due to issue of LTIPS	14	1,327	-	(1,341)	-	-	-
As at 31 December 2012	**3,758**	**323,668**	**796**	**4,841**	**(1,241)**	**(135,176)**	**196,646**
Total comprehensive loss for the year	-	-	-	-	-	(10,455)	(10,455)
Share based payments	-	-	-	2,219	-	-	2,219
Transfer of reserves due to issue of LTIPS	18	909	-	(927)	-	-	-
Transfer of reserves due to cancelled / lapsed share options	-	-	-	(2,259)	-	2,259	-
As at 31 December 2013	**3,776**	**324,577**	**796**	**3,874**	**(1,241)**	**(143,372)**	**188,410**

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 below form part of these financial statements.

Chariot Oil & Gas Limited

Consolidated Statement of Financial Position as at 31 December 2013

	Notes	31 December 2013 US$000	31 December 2012 US$000
Non-current assets			
Exploration and appraisal costs	11	128,284	136,639
Property, plant and equipment	12	613	882
Total non-current assets		**128,897**	**137,521**
Current assets			
Trade and other receivables	13	1,614	2,922
Inventory	14	7,234	7,153
Cash and cash equivalents	15	56,684	68,257
Total current assets		**65,532**	**78,332**
Total assets		**194,429**	**215,853**
Current liabilities			
Trade and other payables	16	6,019	19,207
Total current liabilities		**6,019**	**19,207**
Total liabilities		**6,019**	**19,207**
Net assets		**188,410**	**196,646**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	3,776	3,758
Share premium		324,577	323,668
Contributed equity		796	796
Share based payment reserve		3,874	4,841
Foreign exchange reserve		(1,241)	(1,241)
Retained deficit		(143,372)	(135,176)
Total equity		**188,410**	**196,646**

The notes below form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2014.

George Canjar
Chairman

Chariot Oil & Gas Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2013

	Year ended 31 December 2013 US$000	Year ended 31 December 2012 US$000
Operating activities		
Loss for the year before taxation	(8,646)	(88,561)
Adjustments for:		
Finance income	(758)	(1,561)
Finance expense	1,177	-
Depreciation	349	187
Share based payments	2,219	1,793
Impairment of exploration asset	-	80,853
Net cash outflow from operating activities before changes in working capital	**(5,659)**	**(7,289)**
Decrease / (increase) in trade and other receivables	1,360	(1,614)
(Decrease) / increase in trade and other payables	(1,520)	1,625
Increase in inventories	(81)	(2,475)
Net cash outflow from operating activities	**(5,900)**	**(9,753)**
Investing activities		
Finance income	758	885
Payments in respect of property, plant and equipment	(80)	(848)
Farm-in proceeds	26,400	33,379
Payments in respect of intangible assets	(31,574)	(131,815)
Net cash outflow used in investing activities	**(4,496)**	**(98,399)**
Financing activities		
Issue of ordinary share capital	-	48,737
Issue costs	-	(1,994)
Net cash inflow from financing activities	**-**	**46,743**
Net decrease in cash and cash equivalents in the year	**(10,396)**	**(61,409)**
Cash and cash equivalents at start of the year	**68,257**	**128,990**
Effect of foreign exchange rate changes on cash and cash equivalent	(1,177)	676
Cash and cash equivalents at end of the year	**56,684**	**68,257**

The notes below form part of these financial statements.

1 General information

Chariot Oil & Gas Limited is a company incorporated and domiciled in Guernsey with registration number 47532. The address of the registered office is PO Box 282, Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3RH. At 31 December 2013 the Group's administrative and head office is in Guernsey. The nature of the Company's operations and its principal activities are set out in the Director's Report and in the 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

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

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 2013. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

International Accounting Standards (IAS/IFRS)	Effective year commencing on or after
IAS 1 (Amendment) - Presentation of items of other comprehensive income	1 July 2012
IFRS 13 - Fair value measurement	1 January 2013
IAS 19 (Amendment 2011) - Employee benefits	1 January 2013
IFRS 7 (Amendment 2011) - Disclosures – offsetting financial assets and financial liabilities	1 January 2013
IAS 16 (improvements) - Classification of servicing equipment	1 January 2013

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2014 or later years to which the Group has decided not to adopt early when early adoption is available. The implementation of these standards and amendments is expected to have no material effect on the Group's accounting policies. These are:

International Accounting Standards (IAS/IFRS)	Effective year commencing on or after
IAS 32 (Amendment 2011) - Offsetting financial assets and financial liabilities	1 January 2014
IFRS 11 - Joint arrangements	1 January 2014*
IFRS 10 - Consolidated financial statements	1 January 2014*
IFRS 12 - Disclosure of interest in other entities	1 January 2014*
IAS 27 (Amendment 2011) - Separate financial statements	1 January 2014*
IAS 28 (Amendment 2011) - Investments in associates and joint ventures	1 January 2014*
IFRIC 21 - Levies	1 January 2014
IFRS 9 - Financial instruments	n/a

* Effective date 1 January 2014 for the EU.

Exploration and appraisal costs

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

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 six cost pools being Northern, Central and Southern Blocks in Namibia, Mauritania, 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 re-imbursement 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.

Any Capital Gains Tax payable in respect of a farm-in transaction is recognised in 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 2.5 – 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.

Operating leases

Rent paid on operating leases is charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease.

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 the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. 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.

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

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.

Jointly controlled operations

Jointly controlled 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 jointly controlled 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:

i. Recoverability of intangible assets

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. This assessment involves judgement as to: (i) the likely future commerciality of the asset and when such commerciality should be determined; (ii) future revenues and costs pertaining to any asset based on proved plus probable, prospective and contingent resources; and (iii) the discount rate to be applied to such revenues and costs for the purpose of deriving a 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. Share based payments

In order to calculate the charge for share based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its pricing model as set out in note 20.

3 Segmental analysis

The Group has two reportable segments being exploration for oil and gas and head office 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 2013

	Exploration for Oil and Gas	Head Office	Total
	US$000	**US$000**	**US$000**
Share based payment	-	(2,219)	(2,219)
Administrative expenses	(956)	(5,052)	(6,008)
Impairment of exploration asset	-	-	-
Finance income	-	758	758
Finance expense	-	(1,177)	(1,177)
Tax expense	(1,702)	(107)	(1,809)
Loss after taxation	(2,658)	(7,797)	(10,455)
Additions to non-current assets	18,045	80	18,125
Total assets	136,103	58,326	194,429
Total liabilities	(3,152)	(2,867)	(6,019)
Net assets	132,951	55,459	188,410

31 December 2012

	Exploration for Oil and Gas	Head Office	Total
	US$000	**US$000**	**US$000**
Share based payment	-	(1,793)	(1,793)
Administrative expenses	(539)	(6,937)	(7,476)
Impairment of exploration asset	(80,853)	-	(80,853)
Finance income	-	1,561	1,561
Finance expense	-	-	-
Tax expense	-	-	-
Loss after taxation	(81,392)	(7,169)	(88,561)
Additions to non-current assets	128,603	848	129,451
Total assets	146,224	69,629	215,853
Total liabilities	(16,701)	(2,506)	(19,207)
Net assets	129,523	67,123	196,646

4 Loss from operations

	31 December 2013	31 December 2012
	US$000	**US$000**
Loss from operations is stated after charging:		
Impairment of exploration asset	-	80,853
Operating lease – office rental	329	307
Depreciation	349	187
Share based payments – share option scheme	303	337
Share based payments – long term incentive scheme	1,891	1,456
Share based payments – restricted share unit scheme	25	-
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	72	69
Audit of the Company's subsidiaries pursuant to legislation	17	17
Fees payable to the Company's auditors for the review of the Company's interim accounts	12	11
Total payable	**101**	**97**

5 Leases commitments

	31 December 2013	31 December 2012
	US$000	**US$000**
Not later than one year	557	298
Later than one year and not later than five years	1,230	1,754
Total	**1,787**	**2,052**

The leases are operating leases in relation to the offices in the UK, Namibia, Mauritania and Brazil.

6 Employment costs

Employees	31 December 2013	31 December 2012
	US$000	**US$000**
Wages and salaries	2,941	2,924
Pension costs	169	167
Share based payments	1,387	1,463
Sub-total	**4,497**	**4,554**
Capitalised to exploration costs	(1,669)	(1,216)
Total	**2,828**	**3,338**

Key management personnel	31 December 2013	31 December 2012
	US$000	**US$000**
Wages and salaries	1,657	1,843
Pension costs	29	14
Payments in lieu of notice / Compromise payment	-	846
Share based payments	832	330
Sub-total	**2,518**	**3,033**
Capitalised to exploration costs	(452)	(517)
Total	**2,066**	**2,516**

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.

7 Finance income and expense

Finance income	31 December 2013	31 December 2012
	US$000	**US$000**
Bank interest receivable	758	885
Foreign exchange gain	-	676
Total	**758**	**1,561**

Finance expense	31 December 2013	31 December 2012
	US$000	**US$000**
Foreign exchange loss	1,177	-
Total	**1,177**	**-**

8 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2013 and 31 December 2012, excluding dormant entities, were:

Subsidiary undertaking	Principal activity	Country of incorporation
Chariot Oil & Gas Investments (Namibia) Limited	Holding company	Guernsey
Chariot Oil & Gas Investments (Mauritania) Limited	Oil and gas exploration	Guernsey
Chariot Oil & Gas Investments (Morocco) Limited	Oil and gas exploration	Guernsey
Chariot Oil & Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited[2]	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda[3]	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1, 3]	Service company	Guernsey

[1]Indirect shareholding of the Company.
[2]Company dormant prior to 1 January 2013.
[3]Incorporated in the year ended 31 December 2013.

9 Taxation

At 31 December 2013 and at 31 December 2012 the Company is tax resident in Guernsey, where corporate profits are taxed at zero per cent.

No taxation charge arises in Namibia, Morocco and the UK as the relevant subsidiaries have recorded taxable losses for the year.

In Mauritania there is a Capital Gains Tax payable of US$1,702,000 due to the farm-out of 35% of licence C-19 offshore Mauritania to Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy Plc, which completed on 11 October 2013.

In Brazil there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$107,000.

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 Guernsey applied to losses for the year are as follows:

	31 December 2013	**31 December 2012**
	US$000	**US$000**
Tax reconciliation		
Loss on ordinary activities for the year before tax	(8,646)	(88,561)
Loss on ordinary activities at the standard rate of corporation tax in Guernsey of 0% (31 December 2012:0%)	-	-
Difference in tax rates in local jurisdictions at the applicable tax rate of 35% (31 December 2012:35%)	(192)	(162)
Deferred tax effect not recognised	299	162
Mauritanian Capital Gains Tax of 10% (31 December 2012:10%)	1,702	-
Total taxation charge	**1,809**	**-**

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$2.3m (31 December 2012: US$2.0m). Deferred tax assets were not recognised as there is uncertainty regarding the timing of future profits against which these assets could be utilised.

10 Loss per share

The calculation of basic loss per ordinary share is based on a loss of US$10,455,000 (31 December 2012: loss of US$88,561,000) and on 200,913,999 ordinary shares (31 December 2012: 196,527,961) 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.

11 Exploration and appraisal costs

	31 December 2013	31 December 2012
	US$000	**US$000**
Balance brought forward	**136,639**	**88,889**
Additions	18,045	128,603
Farm-in proceeds	(26,400)	-
Impairment	-	(80,853)
Net book value	**128,284**	**136,639**

As at 31 December 2013 the net book values of the six cost pools are Northern Blocks offshore Namibia US$33.6m (31 December 2012: US$33.3m), Central Blocks offshore Namibia US$42.4m (31 December 2012: US$40.8m), Southern Blocks offshore Namibia US$45.2m (31 December 2012: US$42.0m), Mauritania US$2.8m (31 December 2012: US$20.3), Morocco US$1.6m (31 December 2012: US$0.2m) and Brazil US$2.7 (31 December 2012: US$Nil).

Farm-in proceeds are in relation to the farm-out of 35% of licence C-19 offshore Mauritania to Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy Plc, which completed on 11 October 2013.

The impairment in 2012 is in respect of drilling the Tapir South Well in the Northern Blocks offshore Namibia.

12 Property, plant and equipment

	Fixtures, fittings and equipment	Fixtures, fittings and equipment
	31 December 2013	**31 December 2012**
	US$000	**US$000**
Cost		
Brought forward	1,585	737
Additions	80	848
Carried forward	1,665	1,585
Depreciation		
Brought forward	703	516
Charge	349	187
Carried forward	1,052	703
Net book value	**613**	**882**

13 Trade and other receivables

	31 December 2013	31 December 2012
	US$000	**US$000**
Other receivables and prepayments	**1,614**	**2,922**

14 Inventory

	31 December 2013	31 December 2012
	US$000	**US$000**
Wellheads and casing	**7,234**	**7,153**

15 Cash and cash equivalents

	31 December 2013	31 December 2012
Analysis by currency	**US$000**	**US$000**
US Dollar	43,389	61,854
Brazilian Real	12,606	-
Sterling	633	6,274
Namibian Dollar	51	94
Mauritanian Ouguiya	5	35
	56,684	**68,257**

As at 31 December 2013 the cash balance of US$56.7m (31 December 2012: US$68.3m) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2013	31 December 2012
	US$000	**US$000**
Brazilian licences	12,160	-
Mauritanian licence	2,500	10,000
Moroccan licences	1,000	1,000
Namibian 2714B licence	300	-
	15,960	**11,000**

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

16 Trade and other payables

	31 December 2013	31 December 2012
	US$000	**US$000**
Trade payables	1,976	6,790
Accruals	4,043	12,417
	6,019	**19,207**

17 Share capital

	Authorised			
	31 December 2013	**31 December 2013**	**31 December 2012**	**31 December 2012**
	Number	**US$000**	**Number**	**US$000**
Ordinary shares of 1p each*	**400,000,000**	**7,980**	**400,000,000**	**7,980**

	Allotted, called up and fully paid			
	31 December 2013	**31 December 2013**	**31 December 2012**	**31 December 2012**
	Number	**US$'000**	**Number**	**US$'000**
Ordinary shares of 1p each*	**201,789,805**	**3,776**	**200,641,135**	**3,758**

* 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 and not subsequently retranslated.

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

Date	Description	Price US$	No of shares
1 January 2012	**Opening Balance**		**181,649,221**
13 January 2012	Issue of shares as part of LTIP	0.42	187,333
6 February 2012	Issue of shares as part of LTIP	0.45	210,750
7 February 2012	Issue of shares as part of LTIP	4.38	126,450
9 March 2012	Issue of shares as part of LTIP	4.38	35,599
9 March 2012	Issue of shares as part of LTIP	0.57	209,406
20 March 2012	Issue of shares at £1.70 in Placing	2.69	18,110,400
15 June 2012	Issue of shares as part of LTIP	1.70	19,683
20 June 2012	Issue of shares as part of LTIP	1.70	52,488
19 July 2012	Issue of shares as part of LTIP	4.38	7,000
28 November 2012	Issue of shares as part of LTIP	2.92	32,805
31 December 2012			**200,641,135**
10 April 2013	Issue of shares as part of LTIP	3.61	30,000
10 April 2013	Issue of shares as part of LTIP	1.74	9,366
23 April 2013	Issue of shares as part of LTIP	4.38	10,500
23 April 2013	Issue of shares as part of LTIP	1.74	3,097
23 April 2013	Issue of shares as part of LTIP	1.95	10,000
2 October 2013	Issue of shares as part of LTIP	2.95	12,768
2 October 2013	Issue of shares as part of LTIP	0.50	75,881
2 October 2013	Issue of shares as part of LTIP	1.74	27,676
8 October 2013	Issue of shares as part of LTIP	1.95	10,000
8 October 2013	Issue of shares as part of LTIP	0.50	173,443
8 October 2013	Issue of shares as part of LTIP	1.74	4,055
8 October 2013	Issue of shares as part of LTIP	0.32	71,304
8 October 2013	Issue of shares as part of LTIP	1.70	55,000
8 October 2013	Issue of shares as part of LTIP	4.38	4,000
21 October 2013	Issue of shares as part of LTIP	0.45	150,000
21 October 2013	Issue of shares as part of LTIP	4.38	14,000
21 October 2013	Issue of shares as part of LTIP	0.50	162,602
21 October 2013	Issue of shares as part of LTIP	0.32	114,978
22 October 2013	Issue of shares as part of LTIP	0.50	120,000
22 October 2013	Issue of shares as part of LTIP	1.36	40,000
22 October 2013	Issue of shares as part of LTIP	0.50	50,000
31 December 2013			**201,789,805**

18 Related party transactions

- Key management personnel comprises the Directors and details of their remuneration are set out in note 6 and the Directors' Remuneration Report.

- Westward Investments Limited ("Westward") is a company where Robert Sinclair is a Director and which is owned by a discretionary trust of which Adonis Pouroulis is one of a number of beneficiaries. During the year ended 31 December 2013 Westward received administrative services from an employee of Chariot for which Westward incurred fees payable to Chariot of US$14,845 (31 December 2012: US$15,083). The amount outstanding as at 31 December 2013 is US$2,611 (31 December 2012: US$2,559).

- Benzu Resources Limited ("Benzu"), is a company where Adonis Pouroulis is a Director. During the year ended 31 December 2013 Benzu received administrative services from an employee of Chariot for which Benzu incurred fees payable to Chariot of US$14,845 (31 December 2012:

US$15,352). The amount outstanding as at 31 December 2013 is US$10,446 (31 December 2012: US$10,719).

- Pursuant to an agreement dated 1 October 2007, Artemis Trustees Limited, a company where Robert Sinclair is a Director and ultimately a shareholder, was appointed by the Company to provide administration secretarial services. In the year ended 31 December 2013 the Company incurred fees relating to these services totalling US$Nil (31 December 2012: US$21,789). The amount outstanding as at 31 December 2013 is US$Nil (31 December 2012: US$Nil).

- Pella Resources Limited ("Pella"), is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2013 Pella received administrative services from an employee of Chariot for which it incurred fees payable to Chariot of US$75,699 (31 December 2012: US$Nil). The amount outstanding as at 31 December 2013 is US$4,580 (31 December 2012: US$Nil).

- During the year ended 31 December 2013, Helios Oil and Gas Limited ("Helios"), a company where Adonis Pouroulis is a Director, paid Chariot US$Nil (31 December 2012: US$4,759) in relation to the reimbursement of costs incurred by Chariot on its behalf. In addition Chariot paid Helios US$Nil (31 December 2012: US$143,525) in relation to the reimbursement of costs incurred by Helios on its behalf. The amount outstanding from Helios as at 31 December 2013 is US$Nil (31 December 2012: US$4,759).

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 2013 no trading in financial instruments was undertaken (31 December 2012: 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 banks Barclays and BNP Paribas, on fixed short to medium term deposits. 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 Groups financial assets and liabilities at the year end as the risk is not deemed to be material.

Currency risk

The Group has limited currency risk in respect of items denominated in foreign currencies. Currency risk comprises of transactional exposure in respect of operating costs and capital expenditure incurred in currencies other than the functional currency of operations.

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, Namibian Dollars and Mauritanian Ouguiya to meet other non-US Dollar industry costs and on-going corporate and overhead commitments.

At the year end, the Group had cash balances of US$56.7m (31 December 2012: US$68.3m) as detailed in note 15.

Other than the non-US Dollar cash balances described in note 15, 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$1,330,000, 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 2012: US$641,000).

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 on-going needs for at least the next twelve months.

Liquidity risk

The Group's practice is to regularly review cash needs and to place excess funds on fixed term deposits for periods with institutions that are rated no lower than A by Standard and Poor's. 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 company will put in place measures that it has assessed as prudent to mitigate the risk of default by the other party. This would consist of instruments such as bank guarantees and letters of credit or charges over assets.

The Group currently acts as Operator in two Joint Venture relationships on two of the Group's licences and therefore from time to time is owed money from its Joint Venture partners. The Joint Venture partner, which has a 10% interest in the Central Blocks in Namibia, is an entity which is 48% owned by one of the world's largest and most financially robust seismic and geoscience companies. The Joint Venture partner, which has a 35% interest in the Mauritanian licence, is an entity which is wholly owned by a FTSE250 company. 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 Plan ("Share Option Scheme"). The Company recognised total expenses (all of which related to equity settled share based payment transactions) under the plan of:

	31 December 2013	31 December 2012
	US$000	US$000
Share Option Scheme	303	337

The options expire if they remain unexercised after the exercise period has lapsed. For options valued using the Black-Scholes model, there are no market performance conditions or other vesting conditions attributed to the options.

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

	31 December 2013	31 December 2012
	Number of Options	**Number of Options**
Outstanding at beginning of the year	**5,400,000**	**5,400,000**
Granted during the year	2,750,000	-
Lapsed during the year	(3,450,000)	-
Cancelled during the year	(700,000)	-
Outstanding at the end of the year	**4,000,000**	**5,400,000**
Exercisable at the end of the year	**1,250,000**	**5,150,000**

The range of the exercise price of share options exercisable at the year end falls between US$0.41 (25p) – US$2.06 (125p) (31 December 2012: US$0.40 (25p) – US$2.09 (130p)).

The estimated fair values of options which fall under IFRS 2 and the inputs used in the Black-Scholes model to calculate those fair values are as follows:

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend
27 March 2008	£0.62	£1.21	£1.30	32%	10 years	4.94%	0%
13 November 2009	£0.17	£0.26	£0.26	80%	5 years	4.3%	0%
15 January 2010	£0.19	£0.28	£0.25	80%	5 years	4.3%	0%
1 June 2010	£0.89	£1.29	£1.15	80%	5 years	4.3%	0%
17 August 2010	£0.71	£1.09	£1.19	80%	5 years	4.3%	0%
1 September 2011	£0.87	£1.29	£1.25	80%	5 years	4.3%	0%
22 April 2013	£0.11	£0.186	£0.273	80%	5 years	1.5%	0%

Expected volatility was determined by calculating the annualised standard deviation of the daily changes in the share price.

Long Term Incentive Scheme ("LTIP")

The plan provides for the awarding of shares to employees for nil consideration. The award will lapse if an employee leaves employment. The shares will vest in equal instalments over a 3 year period.

The Group recognised a charge under the plan for the year to 31 December 2013 of US$1,891,000 (31 December 2012: US$1,456,000).

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

	31 December 2013	31 December 2012
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**6,265,174**	**1,867,327**
Granted during the year	2,251,638	5,347,361
Shares issued for no consideration during the year	(1,148,670)	(881,514)
Lapsed during the year	(481,504)	(68,000)
Outstanding at the end of the year	**6,886,638**	**6,265,174**
Exercisable at the end of the year	**1,176,877**	**130,142**

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 3 year period and will lapse if not exercised prior to 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 3 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 2013 of US$25,000 (31 December 2012: US$Nil).

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

	31 December 2013	31 December 2012
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**-**	**-**
Granted during the year	505,663	-
Outstanding at the end of the year	**505,663**	**-**
Exercisable at the end of the year	**-**	**-**

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. As at 31 December 2013, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2012: 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, in licences where it operates, and the contracting strategy of its partners, in licences where it does not operate.

22 Events after the reporting period

On 18 March 2014 the Company announced that its wholly-owned subsidiary, Chariot Oil & Gas Investments (Morocco) Limited, has entered into a petroleum agreement with the Government of the Kingdom of Morocco for a 75% interest and operatorship in the offshore Mohammedia Reconnaissance licence.

This agreement remains subject to approval from the authorities and once complete, Chariot will be partnered with the Office National des Hydrocarbures et des Mines (ONHYM), the national oil company of Morocco, which will participate with a 25% carried interest.