20 March 2015

Chariot Oil & Gas Limited

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

Final Results

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces its audited final results for the 12 months ended 31 December 2014.

2014 and Post Period Highlights:

Successful Partnering

- Woodside in Rabat Deep Offshore permits, Morocco – 25% equity for reimbursement of all back costs and a carry on additional data acquisition (Chariot retains a 50% operating interest)
- AziLat Limited ("AziLat") in four offshore permits, Brazil – AziLat to acquire a 25% stake in licences (subject to various approvals) in return for paying back costs and 50% of upcoming 3D seismic programme (Chariot retains a 75% operating interest)

Ongoing Portfolio Management

- Long licence periods with low commitments and advantageous commercial terms secured across all licences
- Addition of the Mohammedia Reconnaissance licence ("Mohammedia"), Morocco, covering play extension to Rabat Deep and Loukos; relinquishment of high risk Northern Blocks, Namibia, with a final impairment of US$33.6 million on this licence
- Fast follower positioning achieved throughout the portfolio:
    - Re-award of Central Blocks 2312 & 2412A and Southern Block 2714A, Namibia

Capital Discipline

- Debt free with a cash balance of US$53.5 million as at 31 December 2014:
    - Placing completed in August 2014 raising gross proceeds of ~US$15 million
    - Farm-out to Woodside brought Chariot close to "zero cost" in Morocco with US$10.7 million of cash received to date and remaining funds to be received in H1 2015
    - Fully funded for all commitments with sufficient cash to pursue additional opportunities

Strong Leadership Team in Place

- Bill Trojan and Dave Bodecott appointed as Non-Executive Directors – enhancing the Board's breadth of technical expertise

Continued Development of High Potential Portfolio

Morocco

- Farm-out completed on Rabat Deep – near zero cost expenditure for Chariot achieved to date
- Award of Mohammedia Reconnaissance licence
- All licence commitments fulfilled:
    - Reprocessing of legacy 2D seismic complete; 1,700km^2 new 3D seismic acquired, interpretation underway
- Giant prospectivity and priority drilling target JP-1 in Rabat Deep permit described with follow-on Prospect JP-2 identified in Mohammedia
- Dataroom due to open in Q2 2015 to seek partners for Mohammedia and Loukos

Mauritania

- Specialised processing and iterative interpretation of the 3D volume has yielded an extensive prospect portfolio including four prospects, each in excess of 400mmbbls gross mean prospective resources (internal estimates)
- All licence commitments fulfilled
- Dataroom opened for potential drilling partners

Brazil

- Farm-out to AziLat on all four licences (subject to various approvals)
- Completed reprocessing and interpretation of legacy 2D seismic data across all licences – initial lead inventory identified
- Submitted Environmental Impact Assessment ("EIA") for the upcoming 3D seismic programme
- Dataroom opened to introduce an additional seismic partner
- Used lower cost of seismic services in the market to enhance shareholder value

Namibia

- Southern Blocks – all licence commitments fulfilled following acquisition of 2D seismic in order to optimise 3D seismic programme location
- Central Blocks – acquisition of 1,700km 2D programme completed to define key targets to optimise 3D seismic programme location
- Dataroom reopened on Central Blocks to secure seismic/drilling partners

New Ventures

- Continuing new venture screening process for value accretive assets
- Focus on diversifying the portfolio by broadening and balancing risk profile

Outlook

- Continue to develop and de-risk the portfolio in line with the strategy:
    - Seek additional partners to share in the risk and costs of exploration
    - Further define and mature asset descriptions to optimise the chance of success with the drill bit
- Refocusing of the New Venture effort to capture opportunities coming available in current business environment
- Adhere to strict capital discipline
    - Continue stringent cost control on G&A and operational expenditure

Larry Bottomley, Chief Executive of Chariot, commented:

"Chariot has continued to deliver on its focused strategy by partnering in Morocco and Brazil, maintaining a strong balance sheet through capital discipline, maturing its assets and demonstrating high margin, giant potential prospectivity at the same time as positioning the entire portfolio to ensure low commitments and long licence periods.

Current market conditions in the oil and gas industry are challenging, and we will look to manage those that affect our business accordingly, but we also see this as a time of real opportunity for well funded and well positioned companies such as Chariot. We will continue to progress our existing portfolio, as well as look to capitalise on our position of strength and take advantage of prospective assets that have the potential to create shareholder value over the longer term."

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NOTES TO EDITORS

About Chariot

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’.

Chairman's Statement

The past 12 months have seen Chariot continue to deliver solid results consistent with its strategy to de-risk the business, mature its assets and actively manage the portfolio. These results exhibit the primacy of capital discipline combined with the effective transition to optimised tactical positioning in each project area.

Chariot now holds assets with giant potential in four countries, in different geological basins, with varying levels of maturity and risk. The Company has no debt, a strong cash position, is fully funded to carry out all of its commitments and holds licences with excellent commercial terms. In the near term, this means that Chariot is well positioned to withstand and capitalise on current market conditions. In the longer term, the Company aims to further develop a balanced, robust and sustainable business that provides the Company the opportunity to deliver on its giant potential through the drill bit.

Consistent Delivery on the Strategy: Managing Risk and Enhancing the Portfolio

Chariot's goal is to create transformational value through the delivery of material hydrocarbon accumulations. Through its focus on opportunities in new and emerging basins the Company has built a portfolio of high margin, giant-potential prospects and leads. This type of exploration is high risk and, as a consequence, Chariot's focus is on de-risking the Company's assets as far as possible while enhancing and maturing the portfolio. This year we have continued to do this in a number of ways:

Successful Partnering

By securing industry partners, the Company shares the financial and technical risk associated with each asset at each phase of exploration and this has been a key component of de-risking the portfolio to date. By interacting with the industry in this way, the Company is able to obtain third party validation and endorsement of the technical potential of its assets. In addition, our partners bring additional expertise to further mature and optimise the technical progression to drill ready prospects.

Funds received from leveraged partnerships aim to cover back costs and a share or carry of future expenditure. In addition to Cairn Energy Plc's ("Cairn") participation in Mauritania, this year Chariot also secured Woodside as a seismic partner offshore Morocco (with an option to carry Chariot on a well) and AziLat in Brazil (subject to various approvals). As a result, Chariot is currently at near zero cost in Mauritania and Morocco, half cost in Brazil and retains option acreage for partnering on both seismic and drilling in offshore Namibia.

Portfolio Management and Strategic Positioning

A core component of the strategy is to secure large equity positions in large licences with long licence terms when entering a new region. This provides not only a strong negotiating position during partnering but also the ability to retain a material stake at the point of drilling. As each asset becomes more technically mature, it is continuously measured against the fundamental goals of the Company and its ability to deliver transformational results within strict risk capital constraints. Furthermore, in obtaining long terms on each licence, the Company is able to position itself as a fast follower, rather than as a play opener, in these high risk and relatively underexplored regions. This means that it can take advantage of technical information from third party activity prior to drilling, and at no cost.

An example of this strict adherence to portfolio management can be seen within the Company's repositioning of its Namibian assets during the period. Following the evaluation of significant amounts of proprietary seismic and well data and the integration of information from third party drilling, the team opted to relinquish its Northern Blocks which, whilst prospective, were deemed too high risk to fit with the Company's zero cost exploration aspiration.

Similar analysis was also applied to the Central and Southern Blocks in Namibia in which lower risk, high potential prospects and leads have been identified. These targets also have significant follow-on potential which further justifies continued exploration and expenditure. Given the timing associated with the exploration period on these licences, Chariot chose to relinquish and simultaneously apply for them to be re-awarded, thus removing potentially prohibitive commitments and also shifting the Company to a fast follower position relative to competitors. This careful management not only exemplifies Chariot's good standing in the country but also means that it now has further time and optionality in partnering discussions as well as the opportunity to learn from third party drilling activities taking place prior to Chariot having to commit to its own drilling programmes.

Continued Maturation of the Portfolio

Chariot regards its technical capabilities as fundamental to the Company's ability to succeed in creating transformational growth. This year, the team has continued to carry out substantial technical work in order to progress the portfolio towards drilling and, through the analysis of its own proprietary data as well as that from third party activity, each asset has been matured to the next stage of development.

As well as its giant, drill ready Prospect B in Namibia, the team has identified four drill ready prospects, each in excess of 400mmbbls gross mean prospective resources (internal estimates), offshore Mauritania, and is evaluating final PSDM data to determine a drilling location in its JP-1 Prospect offshore Morocco. This work is the result of extensive seismic acquisition and processing programmes which the team has carefully interpreted and, in the case of Mauritania, has also carried out substantial additional inversion and spectral decomposition analysis.

Owing to the diversity of the portfolio, it contains a range of maturity and further seismic programmes are due to be carried out in 2015. In Q1 2015 2D data was acquired offshore Namibia to identify optimal locations for 3D seismic and a 3D programme is planned to identify the potential for drillable prospects offshore Brazil. 6

Capital Discipline

Throughout this year Chariot has continued to guard its cash reserves in order to be able to lead partnering negotiations from a position of strength, fund its commitments and to capitalise on opportunities that can provide additional value and flexibility to the portfolio.

When the current executive was appointed at the end of 2012, Chariot held approximately US$68 million on the balance sheet. Since then, it has invested approximately US$65 million in the business and ended 2014 with a cash balance of US$53.5 million. This has been achieved through the team's continued focus on capital discipline – despite doubling the number of subsurface experts within its in-house team, G&A costs have not increased – and the partnering proceeds, as well as a successful Placing of US$15 million (gross) in August 2014, means that it is financially robust during a challenging time in the equity markets and in the broader E&P sector. Given its low commitments, long licence terms and zero debt, Chariot is well positioned to use its expertise and balance sheet to capitalise on opportunities that become available as a result of the recent decline in the oil price.

Governance

It has been a pleasure to chair the Chariot Board this year and I believe we have a very good balance of corporate, financial and technical expertise within our management skillset. In February 2014, we welcomed Bill Trojan and Dave Bodecott as Non-Executive Directors, who both bring extensive knowledge of the industry and a deep understanding of exploration plays within the Atlantic margins. Their contributions to Board discussions have been invaluable and we look forward to continuing to benefit from their capabilities and insight in the future.

We were also pleased that, with these additional members, we were able to add to the make-up of our Nomination, Audit and Remuneration Committees. In addition, we were able to renew our Corporate Governance Committee, with a majority membership of Independent Non-Executive Directors which is chaired by Dave Bodecott, who is now Senior Independent Non-Executive Director. We are dedicated to ensuring that we maintain the highest corporate governance standards as far as possible and the committee will look to deliver this on an ongoing basis.

Regional Relationships

Chariot considers its relationships with its regional partners as crucial to the overall success of the business. The positioning of the portfolio that was secured during 2014 underlined the strong relationships that Chariot has developed within each country of operation and was indicative of the governments' endorsement of Chariot's continued high quality technical work and commitment to the development of these frontier regions. We maintain close relations with our partners, including the national oil companies, local empowerment partners and service companies, with regular technical and operational meetings both to share knowledge and facilitate communications. I would like to take this opportunity to thank the Governments and Energy Ministries of Morocco, Mauritania, Brazil and Namibia for their continued support and cooperation as well as ONHYM, SMHPM and NAMCOR, with whom we are partnered, for their ongoing technical insight and collaboration.

Conclusion

Despite the markets being difficult over the past few months, reflected in both our share price and the wider AIM and FTSE oil and gas sector, Chariot has maintained its focus on adding value to the business.

As we enter 2015 in a financially robust position, with a large portfolio of identified high volume opportunities, Chariot will focus its attention on high quality new ventures to further develop sustainable and de-risked business results whilst continuing to mature its portfolio and looking to partner for drilling.

George Canjar

Chairman

19 March 2015

Chief Executive Officer's Review

Oil and gas exploration is a high risk business and Chariot's goal – the exploration for and discovery of transformational hydrocarbon accumulations in new and emerging basins – falls in the higher part of this spectrum. Current market conditions are also part of the cyclical risk inherent in the global oil and gas business which have had a big impact sector wide. It is for these reasons that Chariot focuses on managing its risk and positioning the business for sustained success over the longer term.

This year we have continued to use our in-house skillset to focus on portfolio diversity and management, the application of technology, levered partnering and capital discipline, all of which we have delivered. It is also important, however, to continuously test these achievements within the business environment within which we work. Whilst markets have been relatively risk-averse over the past year, our high potential assets have continued to attract both industry and financial partners. We believe that even in the current climate, the potential material upside of our high margin portfolio still stands as transformational. However, we also need to respond to the effects that a decreased oil price has had on the wider market and how this will impact our own strategy. There will be new opportunities that will now become accessible to us but, owing to a decrease in investment, there will also be challenges. As a result, whilst the goal and strategy of the Company will not change, we have had to consider carefully how the focus of the Company's strategy needs to adapt in order to continue to pursue and realise the value from our high impact portfolio.

Chariot's Strengths within the Changing Business Environment

High Margin, Giant Potential Assets with Excellent Commercial Terms

The recent decline in the oil price has naturally resulted in a reduction of revenue from production for the E&P industry, which has materially affected the scale of investment. Whilst we see this putting pressure on lower margin plays, production from high volume deepwater assets, such as those targeted by Chariot, has materially lower break-even economics, meaning that Chariot retains its capacity for transformational value. This also provides the possibility for a shift in capital investment, where some resource plays become uneconomic or provide a modest return, whilst the performance of high margin, conventional oil and gas becomes more attractive.

Crucial to Chariot is that it has a deepwater, high margin focus and that the regions in which it explores are emerging and frontier, meaning that the commercial licence terms in which it explores are designed to attract investment to balance the risk, and early movers benefit from such terms. In Morocco, for example, a ten year tax holiday means that a contractor can retain a 75% share after taking account of the Moroccan State's share. In more established basins, such as Angola or Nigeria, access is more expensive, commitments are higher and the retained contractor share is far lower.

Lower E&P Investments will Translate to Lower Service Costs

A reduction in the investment within the sector has seen a significant decline in the costs of oil and gas services, from seismic through to drilling and completion. As Chariot has noted previously, whilst less will be invested, these dollars will go further. This has been demonstrated by the tendered costs of Chariot's 3D seismic campaign in Brazil which have been halved in the last eight months, with similar cost saving opportunities becoming available in Namibia.

Well Funded, No Debt, Low Commitments, Long Licence Periods

Capital requirements and financial strength will be key issues for companies with high level licence commitments or large debt repayments. Chariot is fortunate to have a strong balance sheet and carry no debt and as a consequence has all of its commitments fully funded and cash on hand to deploy into potential new ventures, further to the successful fundraising completed in August 2014. Importantly, Chariot has long licence periods with low remaining commitments which provides time to continue the maturation of the portfolio and to continue the partnering programme.

Ability to Evaluate New Opportunities

Chariot's geotechnical team is fundamental to effective evaluation of the range of opportunities that are becoming available and identifying those that will add tangible value and fit well within the risk profile. Chariot has a set of strict screening criteria used to establish whether potential assets have the required attributes that would make for a value-accretive addition to the portfolio.

Adapting the Strategy to the Changing Business Environment

Challenges and Opportunities

Given the widely publicised cuts in sector capital expenditure budgets, Chariot is likely to see fewer companies attending its datarooms, which it will continue to host at each investment phase across the portfolio as part of its risk management and capital discipline. To date, the team's ability to attract supermajors, majors and large independents as partners is testament to its ability to access attractive acreage and de-risk with high quality descriptions whilst maximising the high potential of its assets. In this context, whilst partnering will be more challenging, we believe our assets remain attractive.

It was also for this reason, however, that Chariot chose not to pursue the new venture that it applied for in the summer of 2014. The potential addition of a further underexplored, early phase asset during a time of tightening farm-out markets meant that this asset added additional risk to Chariot's zero cost exploration aspiration. Thus, whilst the asset remained technically attractive, it no longer fitted within the risk profile that the team was looking to develop.

Chariot has built a diverse portfolio in terms of geography, basins and plays and whilst the assets all offer giant potential, they are all high risk within the exploration risk spectrum. Whilst this provides the Company with prospects for transformational growth, it is prudent to look to identify opportunities that offer a chance to broaden its risk profile that will further balance the portfolio and allow for the possibility of a self-sustaining business. In the current climate, some companies are focusing on core assets, falling into distress due to unfunded or debt commitments, and as a result a new wave of opportunities is becoming available. It is therefore the Company's aim to capitalise on the changing deal flow and utilise the funds raised for new ventures, with a focus on lower risk assets.

Upcoming Activity

Chariot will continue to mature its assets and focus on the pursuit of partnered wells for its current, high impact portfolio. This will be achieved through its ongoing work programmes, technical evaluation and descriptions for potential partners. At the same time, it will take an opportunistic approach to its pursuit of business development in the current climate.

As well as its own work programmes, Chariot will look to benefit from its portfolio-wide fast follower positioning, from which it will be able to integrate third party play opening exploration drilling into its own technical understanding. Whilst sector exploration programmes have been reduced, there are several important wells due to be drilled in Morocco, Mauritania and Namibia over the coming 18 months and in the Barreirinhas Basin ten wells are expected to be drilled in the next two to three years, prior to Chariot entering its drilling phase.

The Chariot Team

Chariot retains the majority of its technical work in-house and it is from this skillset that we have been able to identify our asset base and build on the portfolio to date. As evidenced by continued successful partnering, the team provides high quality descriptions of its assets and has a growing reputation within the industry.

The importance of this investment in intellectual capital is also evidenced by the ability of the team to capitalise on their deep regional knowledge of the portfolio. Whilst giant potential has been identified in all of Chariot's countries of interest, the team also looks to use its expertise to secure opportunities that may provide significant follow-on potential in the case of drilling success. This year, this was demonstrated in the acquisition of the Mohammedia Reconnaissance licence in Morocco, where prospectivity was seen to extend from the Company's Loukos and Rabat Deep licences, which has resulted in the identification of the giant Prospect JP-2. Chariot will continue to use this ability to evaluate potential opportunities in the pursuit of new ventures.

Our people are the key to identifying and creating value and I would like to take this opportunity to thank the Chariot team for another year of hard work and dedication.

Looking forward: Positioned to Take Advantage of Opportunity

With the high margin, giant potential assets held within our portfolio, a focused strategy, the strength of our team and our financial flexibility, we will look to continue to deliver on the business plan. Diversifying, de-risking and a strict adherence to capital discipline will continue to be the pillars that underpin the Company going forward and we will continue to focus on balancing our portfolio and maturing our prospects towards drilling. We view the current climate as one that will work well for those who are able to be opportunistic and we look forward to continuing our progress over the coming year.

Larry Bottomley

Chief Executive Officer

19 March 2015

Chief Financial Officer's Review

Funding and Liquidity as at 31 December 2014

During 2014, the Group continued with the development of its portfolio and business by investing c.US$27 million into its exploration portfolio and administration activities (31 December 2013: c.US$38 million). Despite this significant investment, the Group's cash balances only reduced by US$3.2 million to US$53.5 million as at 31 December 2014 (31 December 2013: US$56.7 million) due to the receipt of US$10.3 million from Woodside, being the majority of the proceeds from the farm-out of 25% of the Rabat Deep licence, Morocco, and c.US$14 million net of fees from the Company's share Placing in the second half of 2014. Similar to what was achieved in 2013 with Cairn and Mauritania, this recovery from Woodside of previous amounts invested into the Rabat Deep licence is another example of the Group achieving zero cost exploration in its portfolio. The Group remains debt free as at 31 December 2014 and, applying strict capital discipline, it will continue to invest in its portfolio and business activities during 2015 and beyond. As at 31 December 2014, US$13.4 million (31 December 2013: US$16.0 million) of the Group's US$53.5 million (31 December 2013: US$56.7 million) cash balances were held as security against licence work commitments.

Financial Performance – Year ended 31 December 2014

The Group's loss after tax for the year to 31 December 2014 was US$41.8 million, which is US$31.3 million higher than the US$10.5 million loss incurred for the year ended 31 December 2013. This US$31.3 million increase in the annual loss is mainly due to the US$33.6 million impairment recognised against previously capitalised costs in the Namibian Northern Blocks due to the licence's relinquishment in 2014. The share based payments charge of US$1.7 million for the year ended 31 December 2014 was US$0.5 million lower than the US$2.2 million in the previous year due to the vesting of historic employee deferred share awards.

Other administrative expenses of US$6.1 million for the year ended 31 December 2014 is broadly unchanged from the previous year (31 December 2013: US$6.0 million).

Finance income of US$1.5 million for the year ended 31 December 2014 is US$0.7 million higher than the US$0.8 million received during the previous year mainly because the cash secured against the Brazil licence work commitment has been invested in a high interest deposit account for the full year during 2014 compared to only six months during 2013.

Finance expense of US$1.6 million for the year ended 31 December 2014 is higher than the US$1.2 million incurred in 2013 due to the continued weakening of the Brazilian Real and its impact on the Group's local currency cash security held against licence work commitments in Brazil.

The tax expense of US$0.3 million in the year to 31 December 2014 relates to local taxation levied on the Group's interest income in Brazil, whereas the US$1.8 million tax charge in the year to 31 December 2013 was primarily as a result of the US$1.7 million of Capital Gains Tax payable on the 2013 Mauritania farm-out to Cairn.

Exploration and Appraisal Assets as at 31 December 2014

During the year to 31 December 2014, the Group's exploration and appraisal assets reduced by US$27.0 million to US$101.3 million from US$128.3 million as at 31 December 2013. This US$27.0 million reduction was due to the US$33.6 million Northern Blocks, Namibia, impairment charge and the US$10.7 million from the farm-out of 25% of Rabat Deep, offshore Morocco to Woodside more than offsetting the US$17.3 million of portfolio investment undertaken in 2014. The US$17.3 million portfolio investment is broadly split as follows: in Morocco, US$12.3 million was invested completing the acquisition of, and the partial processing of, the 1,700km^2 3D survey undertaken across the Group's Rabat Deep, Mohammedia and Loukos blocks; in Namibia, US$2.7 million was incurred across all the Group's licences, with the majority relating to the completion of the 2,128km 2D seismic survey in the 2714B Southern Block; in Brazil, US$1.2 million was incurred mainly on EIA and G&G work in advance of the 3D seismic survey planned for 2015; and in Mauritania, US$1.1 million was incurred completing the processing and interpretation of the 3,500km^2 3D survey acquired during 2013 and in paying ongoing licence maintenance costs.

Other Assets and Liabilities as at 31 December 2014

The Group's inventory balance of US$7.4 million as at 31 December 2014 is US$0.2 million higher than the US$7.2 million balance as at 31 December 2013. This increase is mainly due to a long lead ordered wellhead previously held within other receivables being transferred to inventory on delivery.

As at 31 December 2014, the Group's net balance of current trade and other receivables and current trade and other payables shows a net current liability position of US$0.5 million compared to US$4.4 million of net current liabilities as at 31 December 2013. This year on year reduction in net current liabilities is primarily due to two large non-reoccurring liabilities at 31 December 2013 being a US$1.7 million capital gains tax liability on the Mauritanian farm-out to Cairn and a trade payable of US$1.8 million in relation to part of the 2D seismic acquisition programme that was ongoing in Southern Block 2714B in Namibia at the end of 2013.

Outlook

As highlighted above, with US$53.5 million of cash balances as at 31 December 2014, the Group is well funded to continue investing into its business and portfolio throughout 2015 and beyond. In Brazil, the Group plans to carry out a 3D survey satisfying its commitment to acquire 768km^2 of 3D seismic across its four licences in the Barreirinhas Basin. This survey aims to identify locations for potential drilling with a partner in 2017/18. In February/March this year, the Group carried out a 1,700km 2D seismic survey in its 2312 and 2412A Central Blocks, Namibia, with a view to highlighting potential areas of prospectivity for a follow-on 3D survey with a partner in 2016 and in the Southern Blocks, Namibia, it has fulfilled all of its commitments. Finally, in Morocco and Mauritania, the Group will complete final G&G studies in advance of planning to drill with partners in 2016/17.

Mark Reid

Chief Financial Officer

19 March 2015

Technical Director's Review of Operations

During this year we have continued to deepen our technical understanding of our assets and further developed the potential within our portfolio for transformational growth. We have undertaken specialised processing and iterative interpretation across 3,500km^2 of 3D seismic offshore Mauritania; acquired, processed and are currently interpreting 1,700km^2 of 3D seismic offshore Morocco; carried out significant 2D seismic acquisition in Namibia, which we are integrating into our existing data; and evaluated 1,000km of legacy 2D data across our Brazilian acreage.

As well as this, significant developments have been made through third party drilling in close proximity, enabling the team to integrate this detail into its understanding in order to de-risk its own prospects. This is particularly notable in Namibia where information provided in 2014 has located excellent oil-prone mature source rocks and proven that Namibia is oil generating. The significant industry interest in the regions in which we work provides for an exciting year ahead, where play opening wells could provide the opportunity for significantly de-risking our giant prospects further, improving the possibility for success at the point of drilling.

Having a diversified portfolio with a range of basins and technical maturity provides the potential for a number of drilling campaigns in the future. It also provides the optionality for the team to focus on the prospects that are lower risk and to manage the portfolio in accordance with its capital discipline and zero cost focus. This is further enhanced by the technical evaluation provided by the peer group review carried out in the farm-out process at each investment phase.

In addition to the substantial progress that Chariot has made within the portfolio, it has also used its regional expertise and technical insight to identify further opportunities that will provide for value-accretive additions to the portfolio. We are excited by the various opportunities that we are evaluating and look forward to exploring this further over the coming year.

Morocco and Mauritania – Increased Activity in Emerging and Established Basins

Over the last few years these regions have seen increasing interest from the industry, in part due to successes on the conjugate margin of Nova Scotia and in part due to the multiple play potential within these areas. Whilst the Moroccan and Mauritanian Atlantic margins remain relatively underexplored, they are emerging and established basins with proven working petroleum systems and sufficient data from past industry exploration campaigns has provided the basis for new ideas and play concepts to be developed.

Over the last 18 months a new phase of drilling has confirmed multiple working charge systems and demonstrated the importance of robust structural trapping geometries for success on the shelf and the importance of reservoir understanding to both shelf and deepwater plays. While no commercial discovery has been made, the technical results from this third-party drilling are encouraging and will assist Chariot in prospect portfolio ranking to identify optimum drilling targets.

Morocco

Chariot operates three licences (Rabat Deep (50% Chariot (Operator), 25% Woodside, 25% ONHYM (carried interest)), Loukos and Mohammedia (75% Chariot (Operator), 25% ONHYM (carried interest)) in the northern region offshore Morocco. Within this acreage the team has identified all three of the proven and new plays that have been the source of industry activity within the margin over recent years.

In July 2014 Chariot announced the successful farm-out of Rabat Deep to Australia's largest independent E&P company, Woodside, who took up a 25% working interest in the licence in return for paying all back costs and some additional future technical work. These back costs included the 3D seismic that was acquired in April 2014 which was carried out principally to capture the prospectivity associated with the JP-1 Prospect – a four-way faulted structure with estimated gross mean prospective resources of 618mmbbls (based on 2D data). Following the final interpretation of this 3D acquisition, due in H1 of 2015, Woodside will have the option to take on operatorship and 50% of the licence in return for carrying Chariot through the costs of drilling an exploration well (to an agreed financial cap).

To date, Chariot's evaluation of the 3D data shows that the JP-1 structure contains a probable Jurassic shelf edge section with pronounced build up geometries believed to be reefs, with the inversion data supporting the potential for reservoir development. The Jurassic play is proven in Morocco with the Cap Juby heavy oil discovery, legacy onshore light oil production adjacent to Chariot's acreage and a recent well drilled in this play offshore encountered 26° API oil. Within Rabat Deep, a further six leads have been identified in the Jurassic play and, in addition, the 3D seismic has highlighted another giant prospect within the Mohammedia

Reconnaissance licence, JP-2. Overall the presence of a robust structural closure with good reservoir indications in a proven charge fairway meets the success criteria we think has been lacking in most of the wells targeting this play in offshore Morocco.

In the Loukos licence, the team has identified a significant Mio-Pliocene lead that also extends into the Mohammedia Reconnaissance licence area. This is a large, attribute-supported shallow water gas lead that could provide, in the success case, near term production. Datarooms describing the prospectivity identified in this, and the Jurassic play, will be opened for partnering in Q2 2015.

In addition to the proven Jurassic and Mio-Pliocene plays, the team has also identified the potential for Cretaceous clastics throughout its Moroccan portfolio. Whilst this play is yet to be proven, widespread Cretaceous age sands have been recognised during fieldwork in onshore areas adjacent to the licence and the Jurassic charge system is expected to be capable of charging the Cretaceous section. Chariot will carry out further studies to de-risk this play before committing any significant additional funds to its exploration.

Forward Plan:
Completion of 1,700km^2 3D seismic data evaluation and carry out an independent audit of prospective resources.

Rabat Deep: Complete well partnering for the JP-1 Prospect. Chariot's large equity holding in the licence gives additional optionality in the event that a further partnering process is required should Woodside not take up their option.

Loukos and Mohammedia: A dataroom is due to open in Q2 2015 in order to secure partners for the forward exploration programme.

Third Party Activity:
Two to three wells are anticipated offshore Morocco testing both the Jurassic and Cretaceous plays.

Remaining Commitments:
Chariot has no remaining commitments offshore Morocco.

Mauritania

Chariot holds 55% and operatorship in the C-19 licence offshore Mauritania, having attracted a seismic partner in Cairn (35%) with SMHPM holding a 10% carried interest. This licence is on trend with nearby oil and gas condensate discoveries as well as two on-block legacy wells with extensive and pervasive oil shows.

During 2014 the team spent a significant amount of time evaluating the 3D seismic data that was shot in 2013. Due to the presence of steep seabed canyons, detailed depth migration of the seismic was required and additional steps, including data inversion, were carried out to optimise data quality and trap definition, especially of stratigraphic prospects. The resulting seismic volumes have enabled the interpretation of a large prospect and lead portfolio including four giant prospects, each in excess of 400mmbbls gross mean prospective resources (internal estimates). Of note, the KT-1 Prospect, identified as the priority drilling target, is a stacked prospect and, of the individual target layers, the largest has gross mean prospective resources of 532mmbbls (internal estimate). A number of targets in this prospect are supported by well-defined seismic attributes showing structural conformance, a significant low risk indicator for the presence of hydrocarbons.

In addition to Chariot's own work, 2013/2014 saw further de-risking of the petroleum system in this region through the drilling of the Cretaceous by third parties, with a new oil play reported in late Cretaceous turbidites in Mauritania, as well as new discoveries where the basin extends into Senegal, with oil found in upper slope fan sands as well as in Albian sands draped over eroded Aptian carbonates on the shelf. Post period a discovery of gas and liquids has been reported to the north of C-19, an important demonstration that the working hydrocarbon system extends through our licence area.

Forward Plan:
Chariot has opened a dataroom and is currently seeking a potential additional partner to participate in drilling its priority KT-1 stacked prospect.

Third Party Activity:
Three wells are planned in the region.

Remaining Commitments:
Chariot has no remaining commitments offshore Mauritania.

Brazil and Namibia – New Understanding in Frontier Regions

The underexplored regions of offshore Namibia and the Barreirinhas Basin of Brazil have also attracted significant industry interest in recent years. Whilst these areas sit outside of the traditional exploration focus on the Aptian Salt Basin, new exploration technology and well penetrations have demonstrated that world class source rocks and excellent Cretaceous-aged deepwater turbidite reservoir rocks are present. Offshore Namibia, this has been identified through Chariot's own data and information released from wells drilled off-shelf during 2012/2013 in which all of the elements needed for the successful accumulation of hydrocarbons have now been proven.

Offshore Brazil, the Barreirinhas Basin is conjugate to the Salt Pond Basin of Ghana and many of the play elements of that province have been demonstrated adjacent to Chariot's blocks. The Company is accompanied in these regions by supermajors, majors and large independents in neighbouring acreage, indicative of the anticipated prospectivity and potential of these frontier regions.

Brazil

In 2013, Chariot participated in the highly competitive Bidding Round 11 in the Barreirinhas Basin, offshore Brazil, and was awarded licences BAR-M-292, 293, 313 and 314 with a 100% interest. Chariot was successful in securing this acreage on a seismic option and low signature bonus whilst many of the supermajors and majors in the region took on significant drilling commitments with large signature bonuses. This third party commitment means that Chariot is able to learn from up to ten wells expected to be drilled in the basin, one of which will be directly adjacent to its acreage, prior to the Company electing to enter the next phase of the licences.

In July 2014, the team farmed out 25% of the licences to AziLat in which they agreed to pay an increased proportion equal to 50% of the costs of the 3D seismic acquisition commitment across the acreage. Whilst this agreement remains subject to the approval of the Brazilian authorities and other conditions, the decline in seismic costs over the past months means that Chariot will look to accelerate this programme using the funds raised for this purpose in 2014.

The high industry interest in this part of the transform margin is due to the Barreirinhas Basin being conjugate to the Atlantic offshore basins in Côte d'Ivoire and Ghana which have seen significant oil and gas discoveries. Whilst the few wells that have been drilled in the region have not yet yielded discoveries, they have proven high quality reservoirs and encountered good source rocks in the Cenomanian-Turonian. From the team's interpretation of legacy 2D seismic across its acreage, a series of leads with evidence for sands and trapping geometries have been identified. Lead A shows a combination trap pinch-out onto an inversion structure with best estimate prospective resources standing at 725mmbbls (internal estimate) and the possibility to test this and a second feature (Lead B) with a single well. Lead B is a four-way dip closure with the potential for stacked targets on an inversion structure with a Palaeocene top seal and has a best estimate of 346mmbbls gross mean prospective resources (internal estimate). The team anticipates that the acquisition of 3D seismic will provide a better insight and reveal more information to identify specific targets for drilling.

Forward Plan:
To acquire the commitment seismic and seek an additional partner.

Third Party Activity:
Ten wells due to be drilled within the next two to three years

Remaining Commitments:
768km^2 of 3D seismic

Namibia

Chariot has a large acreage position that sits within the Luderitz and Orange Basins and industry activity in recent years has provided new and encouraging information on the prospectivity within these regions, with the most recent drilling activity proving two new petroleum systems in the Aptian and the Cenomanian-Turonian. The implications of these results are significant, as Namibia is now de-risked for oil charge, and it is now a matter of determining where the reservoir, trap and source combine to deliver giant accumulations of hydrocarbons.

During 2013/2014 Chariot repositioned its Namibian acreage to become that of a fast follower. This not only enabled Chariot to have a stronger positioning in its licences, providing the optionality to seek seismic or well partners, but also meant that recent entrants into the region would be required to drill potential play opening wells prior to Chariot deciding on entering its own drilling periods. As a result, Chariot operates the Central Blocks 2312 & 2412A (65%) with AziNam (20%), NAMCOR (10% carried) and Ignitus (5% carried) as partners. In the Southern Blocks 2714A&B, it operates the licences with an 85% interest, with NAMCOR (10% carried) and Quiver (5% carried).

Central Blocks

Especially important is the information released in late 2014 from wells adjacent to the Company's Central Blocks where well penetrations of the Aptian section occurred. The source associated with this interval has been shown to be excellent, oil prone and mature, and this source rock can be directly correlated into the Central Blocks where this source is buried to the same depths and should have experienced the same hydrocarbon maturation history.

Chariot has acquired a 3,500km^2 3D seismic survey on the north eastern flank of the licence. From this, Chariot has identified a number of Upper Cretaceous turbidite clastic reservoirs in a variety of stratigraphic and structural traps with the potential for oil charge from locally mature Aptian and Cenomanian-Turonian marine source rocks. Four prospects have been identified and Prospect B, which has gross mean prospective resources of 469mmbbls, is the lowest risk and the priority target. The identification of the Aptian source rock has extended the prospective area within the Central Blocks and, with the new licence positioning in this region, Chariot sees the opportunity for further de-risking on the north western flank through the acquisition of additional seismic data. In order to identify the optimum area to carry out a 3D seismic survey, and to delineate areas of key interest for prospective partners, the team contracted SeaBird Exploration to carry out a 2D seismic acquisition programme in this area in February/March 2015. As such, Chariot has been able to generate a valuable option while managing the associated risks and the Company will continue its talks with potential drilling and seismic partners to accelerate its work programme.

Southern Blocks

In the Southern Blocks, Chariot has fulfilled all of its commitments through the acquisition of 2D seismic data. The Company is currently analysing these in order to locate the optimum positioning for a 3D seismic survey, which should allow the team to gain a more accurate understanding of the geological setting, and mature prospects for drilling within this acreage. The aim will be to carry out this survey with seismic partners, which is planned for 2016

Forward Plan:

Central Blocks: evaluate 2D seismic data to optimise location for a 3D seismic acquisition on the outboard high in the north eastern part of the blocks; continue the partnering process.

Southern Blocks: evaluate 2D seismic data to optimise location for a 3D seismic acquisition; carry out partnering process to accelerate 3D seismic programme.

Third Party Activity:

Three wells reported for 2015 from recent entrants in the region.

Remaining Commitments:

1,500km^2 3D in Central Blocks.

Matthew Taylor

Technical Director

19 March 2015

Chariot Oil & Gas Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2014

	Notes	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Share based payments	20	(1,746)	(2,219)
Impairment of exploration asset	11	(33,629)	-
Other administrative expenses		(6,053)	(6,008)
Total operating expenses		(41,428)	(8,227)
Loss from operations	**4**	**(41,428)**	**(8,227)**
Finance income	7	1,546	758
Finance expense	7	(1,580)	(1,177)
Loss for the year before taxation		**(41,462)**	**(8,646)**
Tax expense	9	(311)	(1,809)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(41,773)**	**(10,455)**
Loss per Ordinary share attributable to the equity holders of the parent – basic and diluted	**10**	**US$(0.19)**	**US$(0.05)**

All amounts relate to continuing activities.

The notes form part of these financial statements.

Chariot Oil & Gas Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2014

	Share capital US$000	Share premium US$000	Contributed equity US$000	Share based payment reserve US$000	Foreign exchange reserve US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000
As at 1 January 2013	**3,758**	**323,668**	**796**	**4,841**	**(1,241)**	**(135,176)**	**196,646**
Loss and 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**
Loss and total comprehensive loss for the year	-	-	-	-	-	(41,773)	(41,773)
Issue of capital	972	13,605	-	-	-	-	14,577
Issue costs	-	(909)	-	-	-	-	(909)
Share based payments	-	-	-	1,746	-	-	1,746
Transfer of reserves due to issue of LTIPS	31	1,075	-	(1,106)	-	-	-
As at 31 December 2014	**4,779**	**338,348**	**796**	**4,514**	**(1,241)**	**(185,145)**	**162,051**

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

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

The notes form part of these financial statements.

Chariot Oil & Gas Limited

Consolidated Statement of Financial Position as at 31 December 2014

	Notes	31 December 2014 US$000	31 December 2013 US$000
Non-current assets			
Exploration and appraisal costs	11	101,251	128,284
Property, plant and equipment	12	342	613
Total non-current assets		**101,593**	**128,897**
Current assets			
Trade and other receivables	13	1,681	1,614
Inventory	14	7,427	7,234
Cash and cash equivalents	15	53,482	56,684
Total current assets		**62,590**	**65,532**
Total assets		**164,183**	**194,429**
Current liabilities			
Trade and other payables	16	2,132	6,019
Total current liabilities		**2,132**	**6,019**
Total liabilities		**2,132**	**6,019**
Net assets		**162,051**	**188,410**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	4,779	3,776
Share premium		338,348	324,577
Contributed equity		796	796
Share based payment reserve		4,514	3,874
Foreign exchange reserve		(1,241)	(1,241)
Retained deficit		(185,145)	(143,372)
Total equity		**162,051**	**188,410**

The notes form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 19 March 2015.

George Canjar
Chairman

Chariot Oil & Gas Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2014

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Operating activities		
Loss for the year before taxation	(41,462)	(8,646)
Adjustments for:		
Finance income	(1,546)	(758)
Finance expense	1,580	1,177
Depreciation	334	349
Share based payments	1,746	2,219
Impairment of exploration asset	33,629	-
Net cash outflow from operating activities before changes in working capital	**(5,719)**	**(5,659)**
(Increase) / decrease in trade and other receivables	(197)	1,360
Increase / (decrease) in trade and other payables	162	(1,520)
Increase in inventories	(92)	(81)
Cash outflow from operating activities	**(5,846)**	**(5,900)**
Tax payment	(2,078)	-
Net cash outflow from operating activities	**(7,924)**	**(5,900)**
Investing activities		
Finance income	1,578	758
Payments in respect of property, plant and equipment	(63)	(80)
Farm-in proceeds	10,265	26,400
Payments in respect of intangible assets	(19,146)	(31,574)
Net cash outflow used in investing activities	**(7,366)**	**(4,496)**
Financing activities		
Issue of Ordinary share capital	14,577	-
Issue costs	(909)	-
Net cash inflow from financing activities	**13,668**	**-**
Net decrease in cash and cash equivalents in the year	**(1,622)**	**(10,396)**
Cash and cash equivalents at start of the year	**56,684**	**68,257**
Effect of foreign exchange rate changes on cash and cash equivalent	(1,580)	(1,177)
Cash and cash equivalents at end of the year	**53,482**	**56,684**

The notes form part of these financial statements.

1 General information

Chariot Oil & Gas Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3RH. The nature of the Company's operations and its principal activities are set out in the Director's Report and in the Technical Director's Review of Operations.

2 Accounting policies

Basis of preparation

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

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

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

Going concern

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 for a period of at least 12 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 2014. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

Standard	**Effective year commencing on or after**
IFRS 10 - Consolidated Financial Statements	1 January 2014
IFRS 11 - Joint Arrangements	1 January 2014
IFRS 12 - Disclosure of Interests in Other Entities	1 January 2014
IAS 27 - Amendment - Separate Financial Statements	1 January 2014
IAS 28 - Amendment – Investments in Associates and Joint Ventures	1 January 2014
IAS 32 - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 - Recoverable Amounts Disclosures for Non-Financial Assets	1 January 2014
IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21 - Levies	1 January 2014

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2015 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:

Standard	**Effective year commencing on or after**
IAS 1 - Presentation of Financial Statements (Amendments)	1 January 2016*
IAS 19 - Defined Benefit Plans (Amendments)	1 February 2015
IAS 16 and IAS 38 - Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016*
IAS 27 - Separate Financial Statements	1 January 2016*
IFRS 9 - Financial Instruments	1 January 2018*
IFRS 10 and IAS 28 - Investments in Associates and Joint Ventures (Amendments)	1 January 2016*
IFRS 10, 12 and IAS 28 - Investment Entities (Amendments)	1 January 2016
IFRS 11 - Joint Arrangements (Amendments)	1 January 2016*
IFRS 15 - Revenue from Contract with Customers	1 January 2017*
Annual Improvements to IFRSs - (2010-2012 Cycle)	1 February 2015
Annual Improvements to IFRSs - (2011-2013 Cycle)	1 January 2015
Annual Improvements to IFRSs - (2012-2014 Cycle)	1 January 2016*

* Not yet endorsed by 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 reimbursement of past costs, this cash consideration is credited to the relevant accounts within the cost pools where the farm-in assets were located. Any amounts of farm-in cash consideration in excess of the value of the historic costs in the cost pools is treated as a credit to the Consolidated Statement of Comprehensive Income.

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

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.

Joint operations

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

Critical accounting estimates and judgements

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

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 2014

	Exploration for Oil and Gas	Head Office	Total
	US$000	US$000	US$000
Share based payment	-	(1,746)	(1,746)
Administrative expenses	(758)	(5,295)	(6,053)
Impairment of exploration asset	(33,629)	-	(33,629)
Finance income	-	1,546	1,546
Finance expense	-	(1,580)	(1,580)
Tax expense	-	(311)	(311)
Loss after taxation	(34,387)	(7,386)	(41,773)
Additions to non-current assets	17,287	63	17,350
Total assets	109,164	55,019	164,183
Total liabilities	(870)	(1,262)	(2,132)
Net assets	108,294	53,757	162,051

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

4 Loss from operations

	31 December 2014	31 December 2013
	US$000	US$000
Loss from operations is stated after charging:		
Impairment of exploration asset	33,629	-
Operating lease – office rental	606	329
Depreciation	334	349
Share based payments – Share Option Scheme	258	303
Share based payments – Long Term Incentive Scheme	1,378	1,891
Share based payments – Restricted Share Unit Scheme	110	25
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	72	72
Audit of the Company's subsidiaries pursuant to legislation	18	17
Fees payable to the Company's Auditors for the review of the Company's interim accounts	12	12
Total payable	**102**	**101**

5 Leases commitments

	31 December 2014	31 December 2013
	US$000	US$000
Not later than one year	508	557
Later than one year and not later than five years	749	1,230
Total	**1,257**	**1,787**

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

6 Employment costs

Employees	31 December 2014	31 December 2013
	US$000	US$000
Wages and salaries	3,287	2,941
Payment in lieu of notice / compromise payment	274	-
Pension costs	167	169
Share based payments	1,022	1,387
Sub-total	**4,750**	**4,497**
Capitalised to exploration costs	(2,174)	(1,669)
Total	**2,576**	**2,828**

Key management personnel	31 December 2014	31 December 2013
	US$000	US$000
Wages and salaries	2,347	1,657
Pension costs	31	29
Share based payments	724	832
Sub-total	**3,102**	**2,518**
Capitalised to exploration costs	(854)	(452)
Total	**2,248**	**2,066**

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 2014	31 December 2013
	US$000	US$000
Bank interest receivable	1,546	758
Total	**1,546**	**758**

Finance expense	31 December 2014	31 December 2013
	US$000	US$000
Foreign exchange loss	1,580	1,177
Total	**1,580**	**1,177**

8 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2014 and 31 December 2013, 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	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey

[1]Indirect shareholding of the Company.

9 Taxation

Prior to 30 January 2014, the Company was tax resident in Guernsey, where corporate profits are taxed at zero per cent. From 30 January 2014, the Company was tax resident in the UK, however no tax charge arises due to taxable losses for the period 30 January 2014 to 31 December 2014.

No taxation charge arises in Namibia, Morocco or the UK subsidiaries as they have recorded taxable losses for the year (31 December 2013: US$Nil).

In 2013, in Mauritania there was 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 2014, no taxation charge arises in Mauritania due to taxable losses for the year.

In Brazil, there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$311,000 (31 December 2013: US$107,000). There was no deferred tax charge or credit in either period presented.

Factors affecting the tax charge for the current year

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

	31 December 2014	31 December 2013
	US$000	US$000
Tax reconciliation		
Loss on ordinary activities for the year before tax	(41,462)	(8,646)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (31 December 2013: Guernsey 0%)	(8,914)	-
Non-deductible expenses	7,677	-
Difference in tax rates in other jurisdictions	134	(192)
Deferred tax effect not recognised	1,414	299
Mauritanian Capital Gains Tax of 10% (31 December 2013:10%)	-	1,702
Total taxation charge	**311**	**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$3.7 million (31 December 2013: US$2.3 million). 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$41,773,000 (31 December 2013: loss of US$10,455,000) and on 222,449,858 Ordinary shares (31 December 2013: 200,913,999) 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 2014	31 December 2013
	US$000	US$000
Net book value brought forward	**128,284**	**136,639**
Additions	17,287	18,045
Farm-in proceeds	(10,691)	(26,400)
Impairment	(33,629)	-
Net book value carried forward	**101,251**	**128,284**

As at 31 December 2014 the net book values of the six cost pools are Northern Blocks offshore Namibia US$Nil (31 December 2013: US$33.6 million), Central Blocks offshore Namibia US$43.0 million (31 December 2013: US$42.4 million), Southern Blocks offshore Namibia US$47.3 million (31 December 2013: US$45.2 million), Mauritania US$3.9 million (31 December 2013: US$2.8 million), Morocco US$3.2 million (31 December 2013: US$1.6 million) and Brazil US$3.9 million (31 December 2013: US$2.7 million).

Farm-in proceeds in 2014 are in relation to the farm-out of 25% of the Rabat Deep Offshore permits I-IV, Morocco, to a wholly owned subsidiary of Woodside Petroleum Limited, which completed on 23 December 2014. Farm-out proceeds in 2013 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.

Continued portfolio review leading to no application for a licence renewal of 1811A&B resulting in the licence lapsing on 26 October 2014 causing a provision of US$33.6 million against the carrying value of Northern Blocks, Namibia.

12 Property, plant and equipment

	Fixtures, fittings and equipment	Fixtures, fittings and equipment
	31 December 2014	31 December 2013
	US$000	US$000
Cost		
Brought forward	1,665	1,585
Additions	63	80
Disposals	(79)	-
Carried forward	1,649	1,665
Depreciation		
Brought forward	1,052	703
Charge	334	349
Disposals	(79)	-
Carried forward	1,307	1,052
Net book value brought forward	**613**	**882**
Net book value carried forward	**342**	**613**

13 Trade and other receivables

	31 December 2014	31 December 2013
	US$000	US$000
Other receivables and prepayments	**1,681**	**1,614**

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

14 Inventory

	31 December 2014	31 December 2013
	US$000	US$000
Wellheads and casing	**7,427**	**7,234**

15 Cash and cash equivalents

	31 December 2014	31 December 2013
Analysis by currency	US$000	US$000
US Dollar	41,627	43,389
Brazilian Real	11,566	12,606
Sterling	267	633
Namibian Dollar	11	51
Mauritanian Ouguiya	11	5
	53,482	**56,684**

The cash balance of US$53.5 million (31 December 2013: US$56.7 million) does not include US$1.4 million (31 December 2013: US$Nil) held in a Brazilian Real denominated escrow bank account. At 31 December 2014 the Group did not control or benefit from this escrow cash. This escrow cash and the related 25% farm-out of the Brazilian blocks to a wholly owned subsidiary of AziLat Limited will be recognised post year end on completion of the farm-out agreement.

As at 31 December 2014, the cash balance of US$53.5 million (31 December 2013: US$56.7 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2014	31 December 2013
	US$000	US$000
Brazilian licences	10,745	12,160
Mauritanian licence	500	2,500
Moroccan licences	1,900	1,000
Namibian 2714B licence	300	300
	13,445	**15,960**

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 2014	31 December 2013
	US$000	US$000
Trade payables	714	1,976
Accruals	1,376	2,234
Tax Payable	42	1,809
	2,132	**6,019**

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

17 Share capital

	Authorised			
	31 December 2014	31 December 2014	31 December 2013	31 December 2013
	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 2014	31 December 2014	31 December 2013	31 December 2013
	Number	US$000	Number	US$000
Ordinary shares of 1p each*	**262,294,113**	**4,779**	**201,789,805**	**3,776**

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

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

Date	Description	Price US$	No of shares
1 January 2013	**Opening Balance**		**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**
26 February 2014	Issue of shares as part of LTIP	4.38	14,000
26 February 2014	Issue of shares as part of LTIP	0.57	150,000
26 February 2014	Issue of shares as part of LTIP	0.50	73,171
26 February 2014	Issue of shares as part of LTIP	0.35	83,494
12 March 2014	Issue of shares as part of LTIP	0.50	26,498
12 March 2014	Issue of shares as part of LTIP	0.44	5,696
21 March 2014	Issue of shares as part of LTIP	4.38	7,000
24 April 2014	Issue of shares as part of LTIP	0.50	25,000
29 August 2014	Issue of shares at £0.15 in Placing	0.25	58,596,038
2 September 2014	Issue of shares as part of LTIP	0.30	129,601
2 September 2014	Issue of shares as part of LTIP	0.27	226,350

2 September 2014	Issue of shares as part of LTIP	2.92	25,000
2 September 2014	Issue of shares as part of LTIP	4.38	14,000
2 September 2014	Issue of shares as part of LTIP	0.50	439,024
2 September 2014	Issue of shares as part of LTIP	0.33	50,000
10 October 2014	Issue of shares as part of LTIP	4.38	7,500
10 October 2014	Issue of shares as part of LTIP	0.50	327,867
10 October 2014	Issue of shares as part of LTIP	2.95	12,768
10 October 2014	Issue of shares as part of LTIP	1.25	26,666
10 October 2014	Issue of shares as part of LTIP	1.36	40,000
10 October 2014	Issue of shares as part of LTIP	0.19	224,635
31 December 2014			**262,294,113**

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 2014, Westward received administrative services from an employee of Chariot for which Westward incurred fees payable to Chariot of US$24,490 (31 December 2013: US$14,845). The amount outstanding as at 31 December 2014 was US$27,101 (31 December 2013: US$2,611) which was received post year end.

- Benzu Resources Limited ("Benzu") is a company where Adonis Pouroulis is a Director. During the year ended 31 December 2014, Benzu received administrative services from an employee of Chariot for which Benzu incurred fees payable to Chariot of US$14,157 (31 December 2013: US$14,845). The amount outstanding as at 31 December 2014 is US$24,603 (31 December 2013: US$10,446) which was received post year end.

- Pella Resources Limited ("Pella") is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2014, Pella received administrative services from an employee of Chariot for which it incurred fees payable to Chariot of US$39,590 (31 December 2013: US$75,699). The amount outstanding as at 31 December 2014 was US$44,170 (31 December 2013: US$4,580) which was received post year end.

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 2014, no trading in financial instruments was undertaken (31 December 2013: 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 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 Group's 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$53.5 million (31 December 2013: US$56.7 million) 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$1,186,000 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 2013: US$1,330,000).

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 12 months.

Liquidity risk

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

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

Credit risk

The Group's policy is to perform appropriate due diligence on any party with whom it intends to enter into a contractual arrangement. Where this involves credit risk, the 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 three non-carried Joint Venture relationships on three 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 20% interest in the Central Blocks in Namibia is an entity which is 48% owned by one of the world's largest 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 FTSE 250 company. The Joint Venture partner which has a 25% interest in the Rabat Deep Offshore permits I-IV, Morocco, is an entity which is wholly owned by Australia's largest oil 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 Scheme ("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 2014	31 December 2013
	US$000	US$000
Share Option Scheme	258	303

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 2014	31 December 2013
	Number of Options	Number of Options
Outstanding at beginning of the year	**4,000,000**	**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**	**4,000,000**
Exercisable at the end of the year	**4,000,000**	**1,250,000**

The range of the exercise price of share options exercisable at the year-end falls between US$0.39 (25p) – US$1.94 (125p) (31 December 2013: US$0.41 (25p) – US$2.06 (125p)).

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 and Directors for nil consideration. The award will lapse if an employee or Director leaves employment.

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

The Group recognised a charge under the plan for the year to 31 December 2014 of US$1,378,000 (31 December 2013: US$1,891,000).

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

	31 December 2014	31 December 2013
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**6,886,638**	**6,265,174**
Granted during the year	3,256,581	2,251,638
Shares issued for no consideration during the year	(1,908,270)	(1,148,670)
Lapsed during the year	(281,335)	(481,504)
Outstanding at the end of the year	**7,953,614**	**6,886,638**
Exercisable at the end of the year	**2,605,862**	**1,176,877**

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

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

Standalone share awards are one-off awards to Non-Executive Directors which will vest in equal instalments over a three year period and will lapse if not exercised 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 three year period and will lapse if not exercised prior to stepping down from the Board or if the original purchased shares are sold prior to the vesting of the relevant Matching award. Any potential Matching awards not granted in a calendar year shall be forfeited and shall not roll over to subsequent years.

The Group recognised a charge under the plan for the year to 31 December 2014 of US$110,000 (31 December 2013: US$25,000).

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

	31 December 2014	31 December 2013
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**505,663**	**-**
Granted during the year	753,528	505,663
Outstanding at the end of the year	**1,259,191**	**505,663**
Exercisable at the end of the year	**168,555**	**-**

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 2014, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2013: 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.