13 April 2016

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 year ended 31 December 2015.

2015 and Post Period Highlights:

Partnering

- Farm-out announced post period on Rabat Deep, Morocco with Eni - Chariot retains 10% interest for a carry on drilling priority prospect JP-1 with an agreed cap above estimated drilling costs – continued third party validation of Chariot's high margin assets
- Datarooms open across all other licences – core focus to secure partners to drill
- High-graded, high-margin, deep water assets retain transformational potential even at lower oil prices

Protecting the Cash

- Robust balance sheet with US$39.7 million of cash – significantly in excess of remaining commitments
- Debt free
- Board remuneration reduced by 50% from May 2015 – prudent measure to maintain financial flexibility over the longer term
- Continued capital discipline – rigorous seismic tendering and ongoing cost savings

Protecting our Portfolio

- Licence extension agreed on Rabat Deep, Morocco, for analysis of the seabed coring programme prior to entering next phase of exploration
- Converting the Mohammedia Reconnaissance Licence, Morocco into Exploration Permits captures JP-2 prospectivity (significant follow on potential in success case of JP-1 in Rabat Deep)
- Loukos licence, Morocco, relinquished in order to focus on priority prospects and preserve cash
- Rejection of AziLat's commercial amendments to the farm-out agreement protected value of Brazilian acreage and Chariot's negotiating position
- Fast follower positioning and third party exploration information continue to de-risk assets at zero cost

Capitalising on Opportunities

- Acquisition of seismic programmes enables Chariot to take advantage of current reduced service costs
- Continuing to pursue opportunities to add to the portfolio where there is clear value
- Maintaining a level of caution in current environment with regard to new ventures – focus on strict due diligence processes and value-accretive potential

Technical Developments: Ongoing Maturation of the Portfolio

Morocco

- Seabed coring acquisition, processing and evaluation completed satisfying all commitments
- Resource update, Competent Persons Report ("CPR") on 3D seismic:

    - Confirmed prospectivity with gross mean prospective resources of 768mmbbls evaluated for the JP-1 prospect
    - Several other prospects with significant follow-on potential highlighted – specifically in Mohammedia licence

Mauritania

- Seabed coring acquisition, processing and evaluation completed satisfying all remaining commitments
- Resource update, CPR on 3D seismic confirmed prospectivity, including four giant prospects ranging from single target to multi-stacked giant prospects

Namibia

- 1,700 line km of 2D seismic data acquired, processed and evaluated offshore Central blocks, identifying significant additional material prospectivity
- Early participation in the licensing of ION NambiaSPAN multi-client 2D seismic survey providing additional understanding of the entire offshore Namibian margin
- 2,600km^2 3D seismic data acquired offshore Central blocks post period to mature leads of specific interest identified on the 2D data
    - Processing underway - fulfils all remaining commitments
- All commitments satisfied in Southern blocks; processing of seismic data and analysis ongoing

Brazil

- Environmental Impact Assessment ("EIA") submitted and approved in Brazil
- Brazil 3D seismic acquired post period – targeting specific leads and prospectivity identified from legacy 2D data sets
    - Processing underway - fulfils all remaining commitments

Outlook: Capitalising on Opportunity

- Opportunistic approach to enhancing the portfolio in the low-cost oil environment supported by prudent strategy
- Partnering will continue to be challenging but pursued actively
- Seismic programmes to be processed and interpreted
- Focus on capital discipline will be maintained
- Will continue to deliver on the strategy with the aim of creating transformational value for shareholders

Larry Bottomley, Chief Executive of Chariot, commented:

"*The current downturn that the oil sector is experiencing is more dramatic than expected and we have had to adapt to the changes that the lower for longer oil price has brought. The environment has affected the whole E&P industry, however we are pleased with the Company's continued robust positioning. Our portfolio fundamentals remain unchanged by these external influences and our strong cash position with no debt offers us a solid platform to be able to make progress in these tougher times. We continue to deliver on our strategy; partnering for drilling, managing risk and progressing the technical understanding of our asset base whilst being opportunistic yet prudent in these market conditions*."

Private Investor Event

Management will host a conference call for private investors at 10.00am (BST) today, further details of which are on the Company website: http://www.chariotoilandgas.com/index.php/investors/events-and-financial-calendar

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Chairman's Statement

Lower prices and price expectations have continued to pressure the oil and gas industry over the past 12 months. While there are indications of supply–demand convergence, it remains difficult to predict the timeframe and magnitude of oil price recovery. Our focus continues to be on positioning the company to withstand these pressures and preserve the value of our high quality, high potential portfolio.

Strategic Focus: A Prudent yet Opportunistic Approach in the Current Environment

Whilst Chariot's balance sheet remains strong, the effect of low oil prices has impacted the capital budgets of potential partners, which is evidenced by significantly reduced exploration spending across the sector. This reduction in cash flow requires difficult and deliberate choices as companies review and prioritise their ongoing capex needs between funding growth, ongoing projects, and balance sheet protection.

With this in mind, as a Board we have thoroughly reviewed our strategy. In our opinion, companies that will survive the current downturn are those with available capital to carry out their commitments combined with quality opportunities that stand up in very challenging times. This portfolio quality is the ultimate test within the context of Chariot's aspiration for zero cost exploration. Despite reduced exploration budgets, strong companies continue to look for and partner in superior growth areas, as can be seen with the recent drilling partnership secured with Eni on Chariot's Moroccan acreage. With our high margin asset base and robust cash position, we believe that we are able to continue to pursue our goal for the creation of transformational value through the discovery of material accumulations of hydrocarbons, whilst maintaining a focus on capital discipline.

Capital discipline is key to maintaining a position of strength, and through careful decision making and forward planning we have been able to preserve our cash with a longer term view whilst also remaining opportunistic. This is illustrated through the recent achievement of securing up to a 75% price reduction (over previous campaigns), in our 2016 3D seismic programmes in Namibia and Brazil. Through the active management of project timing the Company was able to secure substantially reduced costs while advancing two significant portfolio ventures. As a core part of our zero cost exploration aspiration, we will keep seeking to take advantage of market conditions wherever possible.

As part of this opportunistic approach, Chariot continues to analyse value accretive, sustainable new ventures including both exploration and producing assets. These evaluations are ongoing and opportunities continue to emerge within the current environment. Throughout this process, we are vigilant to consider and protect both our cash position and asset base.

Partnering

Partnering remains crucial to our business model, and all our datarooms remain active across the portfolio. Chariot has continued to see an appetite for its high margin assets, though the pool of interested parties has decreased as there are fewer companies with a new venture budget and remit, and deal terms are evolving with the industry downturn. While partnering remains challenging, companies searching for quality growth opportunities do exist and our recent experience suggests that the number of discussions that reach the later stages of partnering has not diminished. We are also seeing new participants looking to balance lower margin North American resource assets with higher margin growth assets, such as Chariot's, in their corporate portfolios.

We are particularly excited to have recently signed a farm-out agreement with Eni in the Rabat Deep permits offshore Morocco. Following the relevant approvals, Eni will earn a 40% working interest and Operatorship joining Chariot and Woodside in the drilling of the JP-1 prospect (768mmbbls of gross mean prospective resources). Eni is a world-class explorer with a strong track record, and their participation is valuable not only for their technical endorsement but also for their appetite for the transaction in such a difficult market environment. Chariot will retain a 10% carried equity interest (subject to an agreed cap) with ongoing exposure to the transformational success case value that accompanies the large-scale prospective resources, excellent contract commercial terms and robust economics of the project.

Partnering discussions are also ongoing on other assets in our portfolio and the Company will continue to advance projects and seek partners in the investment phases of each stage of exploration, with a focus on progressing towards drilling its priority prospects.

Continued Capital Discipline

Chariot ended 2015 with US$39.7 million and it is this balance sheet strength, with funds well in excess of our remaining commitments, which stands us apart from many of our peers.

Since 2012 Chariot has worked to improve capital efficiency and discipline throughout the Company without compromising our portfolio progress and technical rigor. As part of this, in May 2015 the Board agreed to reduce its remuneration by 50% as a precautionary measure and to contribute to the Company's financial flexibility over the longer term. A reduction in service costs is also an area of focus that we will seek to use to our advantage and we continue to conduct stringent cost control and look for opportunities to further improve this across all operations.

Cash balance management has also been an important part of our efforts over the past few years – partnering being a significant contributor to this. At year end 2012, we had US$68.3 million in the bank, and have subsequently invested approximately US$82 million in the three year period to 31 December 2015 on our extensive 2D and 3D data sets and further Geological & Geophysical ("G&G") work. Our current cash position is testament to our track record of recouping funds and the success of our aspiration to achieve zero cost exploration. We continue to guard our cash and will remain focused on capital discipline.

Governance

It has again been a pleasure to chair Chariot this year and we maintain a good balance of corporate, financial and technical expertise. We have detailed quarterly reviews of the technical aspects of each asset within the portfolio and discuss the strategic direction and financial position of the Company. All committees meet regularly and we will continue to look to deliver best practice corporate governance standards on an ongoing basis.

I would like to take this opportunity to thank Mark Reid who left in May 2015 for his contributions to the Company during his tenure. Since his departure Julian Maurice-Williams, who had worked closely with Mark in the finance team for three years, has seamlessly taken over the role as CFO. I would also like to thank Heindrich Ndume, who retired in June 2015, for his role in the Company's inception and work in Namibia. We wish them both well in their new ventures.

Regional Relationships

Chariot continues to maintain close relations with all partners, including the national oil companies, local empowerment partners and service companies with regular meetings to share technical and operational developments within each region as well as to facilitate ongoing communication. We continue to foster working relationships with them through technology training and skills transfer with active programmes and workshops in Namibia, Morocco and Mauritania. The strength of these relationships is key to the ongoing progress of our assets and I would like to thank the Governments and Energy Ministries of Morocco, Mauritania, Brazil and Namibia for their continued support and co-operation. I would also like to thank ONHYM, SMHPM and NAMCOR, the national state oil companies with whom we are partnered, for their ongoing collaboration and involvement in the maturation of the prospectivity within each region of interest.

Conclusion

Chariot has positioned itself to succeed within a lower oil price environment and we will continue our best efforts to create transformational value to our shareholders. Over the past three years we have acquired, repositioned and renegotiated our licences to focus on the programmes which show the highest chance of success in line with our zero cost, de-risking strategy, and by using our expert in-house technical capabilities to progress each asset. Adapting to the markets, managing risk and creating value remain the core pillars of our business and the hard work required to progress this momentum towards drilling giant growth opportunities will continue. I would like to thank the Chariot team and importantly our shareholders for their ongoing support.

George Canjar
Chairman
12 April 2016

Chief Executive Officer's Review

As described by our Chairman, much of the focus over the past year has been to ensure that Chariot is in a position of strength to weather the challenges of the lower for longer oil price environment, mature the portfolio and capitalise on opportunities. Our portfolio and cash position underpin the Chariot investment case and protecting both of these is key to executing our strategy and delivering success.

Our Portfolio: High Impact, Transformational Potential

It is only possible to be successful in our partnering strategy with prospects that are of significant interest to the industry. We have been very selective with our screening and acquisition processes to date, picking up acreage that has enabled us to build a portfolio of assets with transformational, high margin exploration potential and relinquishing those that, during the maturation process, fall outside our strategic criteria. We have secured positions in regions with analogous or conjugate margin prospectivity, in relatively underexplored areas of increasing industry activity which have the potential for giant discoveries. The excellent commercial terms that we have secured for our licences combined with the scale of potential resources defines a high margin portfolio that is attractive to majors looking to restock their exploration hoppers, even at a time of low oil prices.

Being an early entrant into these regions has enabled us to secure large equity positions. This means that, whilst there is an associated risk which we work hard to manage, we have been able to look to partner at each investment phase whilst maintaining sufficient exposure to transformational growth. In addition, using this vantage point, we have been able to position our work programmes to adopt a fast-follower strategy – key to both capital discipline and technical progress.

We have undertaken substantial exploration programmes across our entire portfolio and with our technical capacity have created a pipeline of giant drill ready prospects, each of which offers significant follow-on potential in the success case. Our diversity and balanced maturation of assets in frontier, emerging and established basins also means we have a range of optionality within different plays and fairways which are of interest to a variety of players in the industry, as demonstrated by the recently announced farm-in agreement with Eni.

Technical Developments: focusing on priority prospects

A great deal of technical work has continued throughout the past year and as part of our detailed analysis we have ranked and high-graded priority prospects in order to maximise the potential to partner and mature them towards drilling.

This work has included the acquisition, processing and analysis of large volumes of 2D seismic data in Namibia, reinterpretation of 1,000km of legacy 2D data in Brazil and the acquisition of two 3D seismic surveys in both of these regions which covered targets of specific interest identified from the 2D data. Within Morocco and Mauritania the team has completed, processed and analysed two seabed coring programmes which provided further detail and corroboration for the drilling locations selected on the priority prospects identified within these licences.

Furthermore, independent audits by Netherland Sewell and Associates ("NSAI") confirmed the giant prospectivity identified within Mauritania and Morocco, based on the findings from our 3D seismic surveys:

- Within Morocco, as well as the giant JP-1 prospect in Rabat Deep, there is significant potential in the JP-2 prospect of Mohammedia, which has a gross mean prospective resource of 117mmbbls, and in the LKP prospects which overlay this prospect in the shallow water Cretaceous fairway. Further to the recent successful partnering on JP-1, the team will continue to evaluate the prospectivity within Mohammedia where Chariot retains operatorship with a 75% working interest.

- Offshore Mauritania in the C-19 licence, four giant prospects ranging from single target to multi-stacked prospects have been confirmed, with individual targets within these prospects estimated to contain a range of gross mean prospective resources of up to 434mmbbls. Chariot has high graded the PA-1 prospect as the principal drilling candidate due to its robust trap and attribute support.

Whilst there is further work being carried out in the Central blocks in Namibia, Prospect B has been matured as the main candidate in the Upper Cretaceous clastic play (estimated to contain 469mmbbls of gross mean prospective resources), and the north western flank of the licence has significant lead potential covered by the recent 2,600km^2 3D survey. In the Southern blocks, the team continues its evaluation of regional 2D seismic interpretation integration with its prior proprietary data in preparation for the planning of a 3D seismic survey, for which partner participation will be sought.

Protecting Value and Managing the Portfolio

Protecting the value held within the portfolio is essential to delivering on the strategy and in May 2015 Chariot decided not to accept proposed amendments to the agreed farm-out with AziLat in Brazil. Re-tendering and securing a reduction in the cost of the seismic survey has replaced the expected partner contribution and withdrawing from this agreement was also prudent in order to protect the value of the asset and the Company's negotiating position in other partnering discussions.

Portfolio management is also fundamental. In May 2015 the team secured a one-year extension in Mauritania to carry out a coring programme to further define key drilling locations for priority prospects. An extension was also secured by the partners in the Rabat Deep permits so that additional studies and analysis could be carried out on the JP-1 prospect prior to entering the drilling phase of exploration. Both programmes have been completed and this work incorporated into the technical understanding of these assets.

Chariot continuously reviews its asset base, retaining acreage based on giant prospectivity and its ability to fit within the partnering strategy (such as in Namibia where in previous years we secured the re-award of the Central and Southern blocks, and in Morocco where Chariot are in the process of converting the Mohammedia Reconnaissance Licence into an Exploration Permit). In the same vein, the Company will also, at times, relinquish licences. A recent example of this was the decision not to enter into the next phase of exploration for the Loukos licence in Morocco. Whilst Chariot continued to see prospectivity within this permit, the low level of follow-on potential in the identified plays was likely to impact the ability to secure a partner. Further examples of this prudence can be seen whereby we have previously let the Northern blocks in Namibia lapse, as well as Casablanca in Morocco as part of our portfolio focus and capital discipline.

Ongoing Benefits of Being a Fast-Follower

As well as our own work programmes, Chariot continues to benefit from the portfolio-wide fast follower positioning, from which we are able to integrate third party play-opening exploration drilling results into our own technical understanding. This continues to be a focal part of the risk management strategy providing the opportunity to learn from others at no cost to the Company.

There have been several wells drilled by third parties during the course of 2014/2015 that Chariot has been able to learn from in order to progress and further mature the drilling inventory. For example, third party drilling in Morocco has confirmed that the Jurassic can have excellent reservoirs and the presence of a light oil charge. By combining this information with our own in-house 3D data interpretation, Chariot has chosen to focus on this play, notably with the JP-1 prospect in the Rabat Deep licence. It has also sought to secure the value associated with the follow-on potential in this play through the current process of converting the Mohammedia Reconnaissance licence into Exploration permits in which JP-2, a second significant Jurassic prospect, is located. Conversely, despite the prospectivity identified in the deepwater Cretaceous plays in Chariot's acreage in Morocco and across the region, third-party exploration efforts in this play have yet to identify reservoir, a de-risking requirement deemed necessary to encourage investment. As a consequence Chariot has, to date, instead focused on the shallow water Cretaceous play identified in Mohammedia in which reservoir has been demonstrated from adjacent onshore outcrop geology.

In Mauritania, high profile third-party success has resulted in increased dataroom interest in the C-19 licence area. Whilst Chariot believes that its acreage contains evidence for an oil charge rather than gas, these discoveries have demonstrated the presence of excellent reservoirs in the deepwater Cretaceous and the potential for transformational discoveries.

Activity over the coming year

Chariot's expected exploration investment for the coming year will encompass completing seismic programmes and continuing with seismic processing and interpretation. Whilst the 3D seismic programmes in Namibia and Brazil will be the main areas of cash utilisation this year, the team will continue to analyse data and fine-tune detail in all priority targets throughout the portfolio. Acquiring these large volumes of proprietary data from 3D and processing through to pre-stack depth migration ("PSDM") and inversion takes time. Ensuring that we have these quality descriptions of our assets in our datarooms is crucial to the success of our partnering programmes, a large factor of our de-risking strategy that will continue to be a focus in the year ahead.

Our operational focus will be on completing the farm-out to Eni which is subject to regulatory and partner approvals. Following the receipt of the approvals, preparations for the drilling will begin, starting with securing a rig for JP-1.

Our Team

I would once again like to take this opportunity to thank our team for their hard work throughout the year as they are the key value drivers of the business. The quality of the asset descriptions presented in our datarooms is central to our partnering success and the team continues to produce excellent technical work. They have also continued to develop their track record of success in the delivery of a drilling partner, and feedback to our datarooms notes the high quality of our work within the industry. From a commercial perspective, they have preserved significant capital through the seismic tendering processes – their negotiations directly contributing to our balance sheet - and have therefore been key in capitalising on the current environment.

Looking forward: Why Chariot?

Our goal is to create transformational value and to do so we need to partner to drill and make a material discovery. We are a step forward to achieving this with our recent farm-out with Eni and we will continue to develop and de-risk the portfolio in line with our strategy, focusing on priority prospects and seeking additional partners to share in the costs and risk of exploration whilst maintaining exposure to material growth. We will also further define and mature our asset descriptions to optimise the chance of success with the drill bit.

We are very aware of the realities of the current climate and work hard to ensure Chariot's longevity to ride out the lower for longer oil price environment. We remain confident of our asset potential. The prospectivity of our portfolio remains robust even in the current market and we continue to lay the foundations to capitalise on these business conditions. Challenges remain but the Company will maintain tight stewardship over its resources as we continue to progress the portfolio and look to benefit from any positive shifts over the coming months.

Larry Bottomley
Chief Executive Officer
12 April 2016

Chief Financial Officer's Review

Funding and Liquidity as at 31 December 2015

The Group continues to have a robust balance sheet with no debt and cash of US$39.7 million at 31 December 2015 (31 December 2014: US$53.5 million) which is significantly in excess of our remaining licence commitments.

In 2015 we carefully guarded our cash and we will continue this strict capital discipline in 2016. This is best illustrated not only by the 50% reduction in Board remuneration from May 2015 and the rigorous tendering processes being undertaken in respect of seismic and other suppliers but also our decision not to enter the next exploration period for the Loukos licence in Morocco and focus our cash on the licences where we believe we have a higher chance of partner participation.

During 2015 the Group continued with the development of its portfolio and business by investing c.US$13 million into its exploration portfolio and administration activities (31 December 2014: c.US$27 million) and this expenditure was partly offset by the receipt of US$1.9 million from Woodside, being the final proceeds from the 2014 farm-out of 25% of the Rabat Deep licence, Morocco. These proceeds, combined with our recent announcement of the further Rabat Deep farm-out agreement with Eni, shows that Chariot continues to aspire to and achieve zero cost exploration even in a difficult low oil price environment.

As at 31 December 2015, US$11.0 million (31 December 2014: US$13.4 million) of the Group's cash balances were held as security against licence work commitments of which US$7.2 million is held in relation to the 3D seismic programme that has recently commenced in Brazil.

Financial Performance – year ended 31 December 2015

The Group's loss after tax for the year (which includes an impairment against inventory) to 31 December 2015 was US$14.9 million, which is US$26.9 million lower than the US$41.8 million loss incurred for the year ended 31 December 2014. This US$26.9 million decrease in the annual loss is mainly due to a prior year US$33.6 million impairment against previously capitalised costs in the Namibian Northern Blocks, due to relinquishment in 2014, offset by a provision against the carrying value of inventory in 2015 of US$6.6 million. This equates to a loss per share of US$(0.06) compared to a loss per share of US$(0.19) in 2014.

The share based payments charge of US$1.1 million for the year ended 31 December 2015 was US$0.6 million lower than the US$1.7 million in the previous year due to the vesting of historic employee deferred share awards.

Other administrative expenses of US$4.4 million for the year ended 31 December 2015 is US$1.7 million lower due to the reduction in the Directors remuneration and other costs savings (31 December 2014: US$6.1 million).

Finance income of US$1.3 million for the year ended 31 December 2015, which is predominantly interest income on Brazilian Real cash balances, is broadly consistent with the prior year (31 December 2014: US$1.5 million).

Finance expense of US$3.9 million for the year ended 31 December 2015 is predominantly unrealised foreign exchange on cash held as security against licence work commitments in Brazil. It is higher than the US$1.6 million incurred in 2014 due to the continued weakening of the Brazilian Real.

The tax expense of US$0.2 million in the year to 31 December 2015 is broadly consistent with the prior year (31 December 2014: US$0.3 million) and relates to local taxation levied on the Group's interest income in Brazil.

Exploration and Appraisal Assets as at 31 December 2015

During the year to 31 December 2015, the Group's exploration and appraisal assets increased by US$7.1 million to US$108.4 million from US$101.3 million as at 31 December 2014. This US$7.1 million increase was due to the US$8.6 million of portfolio investment undertaken in 2015 partly offset by US$1.5 million from the

2014 farm-out of 25% of Rabat Deep, offshore Morocco to Woodside.

The US$8.6 million portfolio investment is split as follows: in Morocco, US$2.4 million was invested completing the processing of the 1,700km^2 3D survey and sea bed coring; in Namibia, US$4.3 million was incurred across all the Group's licences, with the majority relating to seismic work; in Brazil, US$0.9 million was incurred mainly on EIA and G&G work in advance of the 3D seismic survey planned for 2016; and in Mauritania, US$1.0 million was incurred mainly on sea bed coring.

Other Assets and Liabilities as at 31 December 2015

The Group's inventory balance of US$0.9 million as at 31 December 2015 is lower than the US$7.4 million balance as at 31 December 2014. This decrease is due to a provision of US$6.6 million caused by the collapse in prices for oil related equipment and the increasing age of the inventories held.

As at 31 December 2015, 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$0.9 million which is broadly consistent with US$0.5 million of net current liabilities as at 31 December 2014.

Outlook

With US$39.7 million of cash and no debt at 31 December 2015, the Group is well funded to continue to mature its assets taking advantage of the historically low seismic rates.

In Morocco we look forward to Eni joining us as a partner on Rabat Deep and the preparations for drilling. In Mauritania, we will continue with our partnering process.

In Namibia we completed the acquisition of our 2,600km^2 3D seismic programme in the Central Blocks in February 2016 and in Brazil we recently acquired our 785km^2 3D seismic programme. Processing for both datasets is underway and these will be interpreted in house in due course. This activity meets the current commitments in both of these licences, completing all work programmes across the portfolio, and will allow us to identify and mature further prospectivity in these regions.

Although these are tough times for the oil industry, with a strong balance sheet, ongoing capital discipline and continued third party validation of its assets we believe Chariot is in a strong position for the future.

Julian Maurice-Williams
Chief Financial Officer
12 April 2016

Technical Director's Review of Operations

Portfolio Theme

Chariot is focused on building a portfolio of giant prospects in new and emerging Atlantic margin basins that are characterised by excellent contractual and commercial terms. As a consequence, any drilling success is expected to deliver material, high-margin opportunities that have potential to deliver transformational value.

Whilst worldwide exploration has reduced over recent months in response to the lower oil price environment, there have been high profile discoveries that have had important read through for the geological understanding of Chariot's portfolio. Going forward, there are further wells of interest scheduled within our regions or on the corresponding conjugate margins which, in addition to our own in-house technical evaluations, will continue to inform our asset descriptions.

Morocco and Mauritania – Major Third Party Discoveries lead to Further De-risking

The Moroccan and Mauritanian Atlantic margins remain relatively underexplored but they are, respectively, considered to be emerging and established basins both with proven working petroleum systems.

Morocco is conjugate to the Nova Scotia margin, where major discoveries have been made and substantial deepwater exploration programmes are ongoing. The significant success and activity in Nova Scotia provides important information regarding both Jurassic shelf carbonates and the younger Early Cretaceous marine shelf clastics, with both these systems identified in Chariot's acreage. In Morocco, recent third party offshore drilling is reported to confirm the presence of light oil in Jurassic carbonates, and onshore legacy fields having produced light oil from Jurassic reservoirs, both examples providing further corroboration for the prospectivity of JP-1 in Rabat Deep and follow on potential of JP-2 in Mohammedia.

In Mauritania, Chariot's C-19 licence has evidence of well-developed Cretaceous and Tertiary deepwater sandstone reservoirs which has contiguous geology to parts of southern Mauritania and Senegal. The two giant discoveries from the Tortue and Marsouin wells drilled in the south of Mauritania in 2015 demonstrated excellent deepwater clastic reservoirs in the Cretaceous of significant thickness, despite the fact that they are located in a gas prone area. These discoveries have increased footfall in Chariot C-19 datarooms and information from them has assisted in high grading our asset base.

Brazil and Namibia – Frontier Regions with increasing Activity

The Barreirinhas Basin of Brazil and Namibian Atlantic Margin are frontier regions, but activity remains strong as companies continue to seek out new petroleum provinces that offer the potential for giant hydrocarbon accumulations.

With only three deepwater wells drilled to date, the Barreirinhas basin has proven excellent reservoirs and the presence of the same source rocks as those of the conjugate Tano basin of Ghana and Cote d'Ivoire. The 11th Licencing Round of the ANP saw significant industry interest in this basin and, as a consequence, activity in the Brazilian Equatorial Margin is increasing and the calibre of players in this area indicate the industry's positive view of the prospectivity and potential of the region.

In Namibia, drilling has now demonstrated the presence of excellent source rocks and reservoirs. On the conjugate basin, offshore Uruguay, drilling is to commence in the next few months with the Raya prospect, which is on an outboard high in an analogous location to Chariot's recent 3D seismic acquisition over the Central blocks.

Whilst these basins are frontier and underexplored, and therefore higher risk than other targets, the team is very excited about Chariot's acreage position within both areas and their potential to deliver high quality prospects with material prospective resources.

Morocco

Chariot currently has interests in two licences offshore Morocco; Rabat Deep (50% (Operator), 25% Woodside, 25% ONHYM (carried interest), and Mohammedia (75% Chariot (Operator), 25% ONHYM (carried interest)). Mohammedia is currently in the process of being converted from a Reconnaissance Licence into Exploration permits. Within both licence areas the team has identified all three of the proven and new plays that have been the source of industry activity along the Margin over recent years.

As announced on 30 March 2016, Chariot has signed a farm-out agreement with Eni in respect of the Rabat Deep permits. On completion of the farm-out, Eni will acquire operatorship and a 40% working interest with Chariot then holding a 10% interest. In return for this equity transfer, Chariot will benefit from a carry to an agreed cap above estimated drilling costs on the JP-1 prospect, a carry for other geological and administrative costs relating to work commitments in the next licence period and a contribution which will equate to Chariot's investment to date.

JP-1 is a large, 200km² four way dip closed faulted prospect, in water depths ranging from 1,000m to 1,400m, and lies adjacent to Lower Jurassic source kitchens with associated slicks and DHIs. A large trap was identified on the Company's initial 2D seismic data and the subsequent 3D seismic data has improved confidence in the trap, its reservoir potential and the secondary targets that overlie the main objective. During the course of this year a CPR was carried out by NSAI confirming gross mean prospective resources of 768mmbbls in JP-1. This was followed by a geochemical coring programme which has further improved the evidence for a working petroleum system.

Our Moroccan portfolio contains a further six Jurassic leads. Success in JP-1 would materially de-risk this prospectivity and offers significant follow-on exploration potential in both Rabat Deep and the neighbouring Mohammedia permit.

In Mohammedia, priority target JP-2 is located in water depths of approximately 400m adjacent to modelled mature source kitchens. JP-2 is a Jurassic carbonate faulted prospect with gross mean prospective resources of 117mmbbls (NSAI). Potential has also been identified in Cretaceous and Tertiary targets. Of particular note, JP-2 is overlain by the shallower LKP-1A prospect with both potential targets drillable in a single vertical exploration well. The LKP-1A and other LKP prospects are interpreted as structural and combination traps in Lower Cretaceous shelf clastics which are seen to prograde over the JP-2 high, and are supported by AvO seismic attributes – a significant de-risking indicator. In their report, NSAI assigned LKP-1A with a gross mean prospective resource of 213mmbbls. Given the shallow water depths, the LKP prospects have the potential for low cost and rapid development. As part of the Exploration Permit work programme, Chariot anticipates a further 3D seismic programme to focus on the JP-2 and LKP prospectivity.

Forward Plan:

- Drill JP-1 (subject to Moroccan authority approval of farm out agreement and drill rig availability) – potentially 2017
- Complete the conversion of the Mohammedia Reconnaissance Licence into an Exploration Permit
- Undertake seismic EIA for Mohammedia
- Undertake a seismic programme over Mohammedia to define JP-2 and greater LKP area and identify additional potential.

Third Party Activity:

- Two to three wells are anticipated offshore Morocco testing multiple plays.

Remaining Commitments:

- Chariot currently has no remaining commitments and has achieved near zero cost exploration in Morocco.

Mauritania

Chariot holds 55% and operatorship in the C-19 licence offshore Mauritania with Cairn (35%) and SMHPM (10% carried interest) as partners. This licence is on trend with nearby oil and gas-condensate discoveries and has two on-block legacy wells with pervasive oil shows.

Mauritania offshore has a north-south Mesozoic carbonate margin that forms the boundary between deep and shallow water. Outboard of this margin lies a central salt basin which has seen most of the deepwater exploration drilling principally targeting Tertiary turbidite reservoirs with the Chinguetti producing oil field and gas and oil discoveries at Banda, Tiof and Tevet.

Recent discoveries of material volumes of gas to the west and south of the salt basin are reported to have encountered excellent quality Cretaceous turbidite reservoirs that clearly have the capacity for material accumulations of hydrocarbons.

C-19 sits in the north, outside the salt basin, where it is considered that there is less risk of the reservoir compartmentalisation as experienced in the producing Chinguetti oil field, with prospects identified in both Tertiary and Cretaceous turbidite reservoirs. Chariot focused on C-19 as it is believed to sit in a dominantly oil generating province. Oil shows identified in C-19 from historic drilling and four nearby discoveries (one with high quality oil typed to the Cenomanian-Turonian source interval which is widely developed in the basin), support Chariot's view that the licence sits within the oil window.

A number of Chariot's prospects are supported by extensive seismic attribute conformance with structure while shallow marine sands in legacy wells, as well as seismic evidence of turbidites, support the presence of reservoir. From the inventory, prospect PA-1, of gross mean prospective resources of 431mmbbls (NSAI) in the Paleocene fairway, has been high graded as the target drilling candidate owing to its robust trap with attribute support. Additional analysis of Chariot's 3D data has recently identified further prospectivity within this play, extending in to shallow water, offering follow-on potential in the PA-1 success case. In addition to the Paleocene fairway, our Mauritanian acreage contains drill ready prospects within the KT-1, MA-1 and BFT-1 prospects, some of which offer stacked targets, and a further 13 leads have been mapped offering additional follow on potential. A dataroom is currently open describing these opportunities and the Company aims to secure a partner in order to progress towards drilling.

<u>Forward Plan:</u>

- Drill one of the four prospects identified to date subject to partnering. PA-1 priority target

<u>Third Party Activity:</u>

- Three wells offshore testing multiple plays over the next two years

<u>Remaining Commitments:</u>

- Chariot has no remaining commitments offshore Mauritania.

Brazil

During the highly competitive Round 11 Chariot acquired 100% of licences BAR-M-292, 293, 313 and 314. Chariot was successful in securing this acreage on a seismic option and with a low signature bonus whilst many of the neighbouring operators in the region took on significantly higher bonus payments and drilling commitments within the first phase of exploration. This third party activity will mean 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 its next phase of exploration - which would bring a drilling commitment.

Within the basin there is the presence of excellent Tertiary and Cretaceous turbidite reservoirs with evidence for sufficient burial of Cenomanian-Turonian source rock for hydrocarbon generation. This is supported by shows in legacy wells. As well as planning the 3D seismic and completing the associated EIA, this year Chariot has also completed a comprehensive prospectivity assessment of the basin using the information from these legacy wells and seismic data, including source rock and crustal modelling. The Cenomanian-Turonian source appears to be buried sufficiently to develop oil maturity and is anticipated to generate a similar hydrocarbon type to those seen on the African conjugate margin in Côte d'Ivoire and Ghana.

In its acreage, Chariot has identified a large roll over structure and numerous leads on the legacy 2D seismic which are the subject of the recently completed 785km^2 3D seismic survey. As part of our fast follower strategy, neighbouring operators have also carried out 3D seismic work programmes on their acreage to prepare for their committed drilling campaigns, information from which we expect to use to help inform our own interpretation and support the partnering programme.

Forward Plan:

- Complete seismic programme
- Evaluate 3D data and identify drill ready prospects
- Conduct a subsequent partnering process for drilling post play opening well in the neighbouring acreage

Third Party Activity:

- Ten deepwater wells due to be drilled within the next three years – ahead of Chariot's requirement to commit to drill.

Remaining Commitments:

- 785km^2 of 3D seismic, which has been acquired and is currently being processed, satisfying the remaining commitment.

Namibia

Chariot has a large acreage position which comprises the Central blocks (65% (Operator); AziNam 20%; NAMCOR 10%; Ignitus 5%) and Southern blocks (85% (Operator); NAMCOR 10%; Quiver 5%) that sit within the Luderitz and Orange Basins respectively. Industry activity in recent years has provided new and encouraging information on the prospectivity of these basins. Previous drilling in the 1990s was focused on targets on the shelf across the region, but the more recent drilling activity took place in the deep water, proving two principal source rocks in the Aptian and the Cenomanian-Turonian. These wells not only confirmed the presence of excellent quality thick, oil prone mature source rock and recovered light oil, but also encountered good quality turbidite reservoirs. This means that, in addition to the proven Kudu play, all elements required for a material oil accumulation have been demonstrated and are present offshore Namibia.

A great deal of work has been undertaken over the past year, most notably in the Central blocks, with the completion and ongoing analysis of the 2D and 3D seismic campaigns. Prospect B remains the priority drilling candidate with gross mean prospective resources of 469mmbbls as assessed by NSAI, however, significant prospectivity is also seen to extend onto the outboard high which sits in the north western flank of the licence area. The additional 2D seismic acquired in 2015 infilled the existing 2D grid in this region, halving the average line spacing and allowing the team to determine the best location for the 2,600km^2 2016 3D programme.

In addition, Chariot was also an early participant in the licensing of the ION NambiaSPAN multi-client 2D seismic survey which covers the entire offshore Namibian margin. In combination with third party drilling and the Kabeljou and Tapir South wells, this has provided invaluable detail on the regional geological architecture especially with regard to basin crustal structure, correlation of source rock levels and definition of the main reservoir fairways. In particular, it appears that Chariot's blocks are well placed to capture charge from key source kitchens and the recent 3D seismic programme also specifically focussed on describing reservoir presence and the identification of traps. This acquisition occurred in February 2016 and is now in processing, which will ultimately deliver a description of prospectivity within this region. A further partnering process will be carried out on this licence following the team's interpretation of this data.

In the Southern Blocks, Chariot has fulfilled all of its material commitments through the acquisition of 2D seismic data. Four prospects have been mapped in the Kudu fairway on the Company's proprietary 3D data with prospective resources ranging from 159 to 741mmboe assigned by NSAI. Ongoing geological work has included further integration of well data, notably from the Murombe, Wingat and Moosehead wells, basin modelling and source rock maturity mapping. As with the Central blocks, a dataroom will be prepared and a partnering process commenced in order to seek third party participation in a further 3D programme over these areas of specific interest.

Forward Plan:

- Central Blocks: Additional partnering for drilling
- Southern Blocks: Partnering process to acquire further 3D seismic over the key play fairways

Third Party Activity:

- Industry players securing acreage ahead of a play opening discovery
- Three wells potentially to be drilling in the next two years

Remaining Commitments:

- No remaining commitments.

Matthew Taylor
Technical Director
12 April 2016

Chariot Oil & Gas Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	Notes	**Year ended 31 December 2015 US$000**	**Year ended 31 December 2014 US$000**
Share based payments	20	(1,104)	(1,746)
Provision against inventory	14	(6,559)	-
Impairment of exploration asset	11	-	(33,629)
Other administrative expenses		(4,357)	(6,053)
Total operating expenses		(12,020)	(41,428)
Loss from operations	**4**	**(12,020)**	**(41,428)**
Finance income	7	1,303	1,546
Finance expense	7	(3,943)	(1,580)
Loss for the year before taxation		**(14,660)**	**(41,462)**
Tax expense	9	(244)	(311)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(14,904)**	**(41,773)**
Loss per Ordinary share attributable to the equity holders of the parent – basic and diluted	**10**	**US$(0.06)**	**US$(0.19)**

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 2015

	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 2014	**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**
Loss and total comprehensive loss for the year	-	-	-	-	-	(14,904)	(14,904)
Share based payments	-	-	-	1,104	-	-	1,104
Transfer of reserves due to issue of LTIPS	32	1,306	-	(1,338)	-	-	-
As at 31 December 2015	**4,811**	**339,654**	**796**	**4,280**	**(1,241)**	**(200,049)**	**148,251**

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 2015

	Notes	31 December 2015 US$000	31 December 2014 US$000
Non-current assets			
Exploration and appraisal costs	11	108,438	101,251
Property, plant and equipment	12	62	342
Total non-current assets		**108,500**	**101,593**
Current assets			
Trade and other receivables	13	1,306	1,681
Inventory	14	938	7,427
Cash and cash equivalents	15	39,713	53,482
Total current assets		**41,957**	**62,590**
Total assets		**150,457**	**164,183**
Current liabilities			
Trade and other payables	16	2,206	2,132
Total current liabilities		**2,206**	**2,132**
Total liabilities		**2,206**	**2,132**
Net assets		**148,251**	**162,051**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	4,811	4,779
Share premium		339,654	338,348
Contributed equity		796	796
Share based payment reserve		4,280	4,514
Foreign exchange reserve		(1,241)	(1,241)
Retained deficit		(200,049)	(185,145)
Total equity		**148,251**	**162,051**

The notes form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 12 April 2016.

George Canjar
Chairman

Chariot Oil & Gas Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2015

	Year ended 31 December 2015 US$000	Year ended 31 December 2014 US$000
Operating activities		
Loss for the year before taxation	(14,660)	(41,462)
Adjustments for:		
Finance income	(1,303)	(1,546)
Finance expense	3,943	1,580
Depreciation	301	334
Share based payments	1,104	1,746
Provision against inventory	6,559	-
Impairment of exploration asset	-	33,629
Net cash outflow from operating activities before changes in working capital	**(4,056)**	**(5,719)**
Increase in trade and other receivables	(20)	(197)
(Decrease) / increase in trade and other payables	(705)	162
Increase in inventories	(70)	(92)
Cash outflow from operating activities	**(4,851)**	**(5,846)**
Tax payment	(276)	(2,078)
Net cash outflow from operating activities	**(5,127)**	**(7,924)**
Investing activities		
Finance income	1,306	1,578
Payments in respect of property, plant and equipment	(21)	(63)
Farm-in proceeds	1,866	10,265
Payments in respect of intangible assets	(7,850)	(19,146)
Net cash outflow used in investing activities	**(4,699)**	**(7,366)**
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	**(9,826)**	**(1,622)**
Cash and cash equivalents at start of the year	**53,482**	**56,684**
Effect of foreign exchange rate changes on cash and cash equivalent	(3,943)	(1,580)
Cash and cash equivalents at end of the year	**39,713**	**53,482**

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 Report of the Directors and in the Technical Director's Review of Operations.

2 Accounting policies

Basis of preparation

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

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

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

Going concern

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 2015. 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**
Annual Improvements to IFRSs - (2011-2013 Cycle)	1 January 2015

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2016 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 7 – Statement of Cash Flows (Amendments)	1 January 2017*
IAS 12 – Income Taxes (Amendments)	1 January 2017*

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, 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 2018*
IFRS 16 - Leases	1 January 2019*
Annual Improvements to IFRSs - (2012-2014 Cycle)	1 January 2016
IAS 19 - Defined Benefit Plans (Amendments)	1 February 2015
Annual Improvements to IFRSs - (2010-2012 Cycle)	1 February 2015

* 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 five cost pools being 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.

iv. Inventory provision

The Group assesses whether a provision is required for inventory by comparing the cost to the net realisable value, which is estimated based on available market prices. If the net realisable value is lower than the cost the difference is charged to the Consolidated Statement of Comprehensive Income.

3 Segmental analysis

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

31 December 2015

	Exploration for Oil and Gas	Corporate	Total
	US$000	**US$000**	**US$000**
Share based payment	-	(1,104)	(1,104)
Administrative expenses	(547)	(3,810)	(4,357)
Provision against inventory	(6,559)	-	(6,559)
Finance income	-	1,303	1,303
Finance expense	-	(3,943)	(3,943)
Tax expense	-	(244)	(244)
Loss after taxation	(7,106)	(7,798)	(14,904)
Additions to non-current assets	8,627	26	8,653
Total assets	109,426	41,031	150,457
Total liabilities	(1,680)	(526)	(2,206)
Net assets	107,746	40,505	148,251

31 December 2014

	Exploration for Oil and Gas	Corporate	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

4 Loss from operations

	31 December 2015	31 December 2014
	US$000	**US$000**
Loss from operations is stated after charging:		
Impairment of exploration asset	-	33,629
Provision against inventory	6,559	-
Operating lease – office rental	580	606
Depreciation	301	334
Share based payments – Share Option Scheme	-	258
Share based payments – Long Term Incentive Scheme	978	1,378
Share based payments – Restricted Share Unit Scheme	126	110
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	60	72
Audit of the Company's subsidiaries pursuant to legislation	13	18
Fees payable to the Company's Auditors for the review of the Company's interim accounts	12	12
Total payable	**85**	**102**

5 Leases commitments

	31 December 2015	31 December 2014
	US$000	**US$000**
Not later than one year	497	508
Later than one year and not later than five years	485	749
Total	**982**	**1,257**

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

6 Employment costs

Employees	31 December 2015	31 December 2014
	US$000	**US$000**
Wages and salaries	2,397	3,287
Payment in lieu of notice / compromise payment	-	274
Pension costs	122	167
Share based payments	804	1,022
Sub-total	**3,323**	**4,750**
Capitalised to exploration costs	(1,597)	(2,174)
Total	**1,726**	**2,576**

Key management personnel	31 December 2015	31 December 2014
	US$000	**US$000**
Wages and salaries	1,256	2,347
Payment in lieu of notice	210	-
Pension costs	18	31
Share based payments	300	724
Sub-total	**1,784**	**3,102**
Capitalised to exploration costs	(508)	(854)
Total	**1,276**	**2,248**

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 2015	31 December 2014
	US$000	**US$000**
Bank interest receivable	1,303	1,546
Total	**1,303**	**1,546**

Finance expense	31 December 2015	31 December 2014
	US$000	**US$000**
Foreign exchange loss	3,943	1,580
Total	**3,943**	**1,580**

8 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2015 and 31 December 2014, 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 and Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey

[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 year (31 December 2014: US$Nil).

No taxation charge arises in Namibia, Morocco, Mauritania or the UK subsidiaries as they have recorded taxable losses for the year (31 December 2014: US$Nil).

In Brazil, there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$244,000 (31 December 2014: US$311,000). 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 2015	**31 December 2014**
	US$000	**US$000**
Tax reconciliation		
Loss on ordinary activities for the year before tax	(14,660)	(41,462)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (31 December 2014: 21.5%)	(2,969)	(8,914)
Non-deductible expenses	1,613	7,677
Difference in tax rates in other jurisdictions	125	134
Deferred tax effect not recognised	1,475	1,414
Total taxation charge	**244**	**311**

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$5.2 million (31 December 2014: US$3.7 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$14,904,000 (31 December 2014: loss of US$41,773,000) and on 263,131,736 Ordinary shares (31 December 2014: 222,449,858) 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 2015	31 December 2014
	US$000	US$000
Net book value brought forward	**101,251**	**128,284**
Additions	8,627	17,287
Farm-in proceeds	(1,440)	(10,691)
Impairment	-	(33,629)
Net book value carried forward	**108,438**	**101,251**

As at 31 December 2015 the net book values of the five cost pools are Central Blocks offshore Namibia US$44.5 million (31 December 2014: US$43.0 million), Southern Blocks offshore Namibia US$50.1 million (31 December 2014: US$47.3 million), Mauritania US$4.9 million (31 December 2014: US$3.9 million), Morocco US$4.1 million (31 December 2014: US$3.2 million) and Brazil US$4.8 million (31 December 2014: US$3.9 million).

Farm-in proceeds in 2014 and 2015 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.

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

12 Property, plant and equipment

	Fixtures, fittings and equipment	Fixtures, fittings and equipment
	31 December 2015	31 December 2014
	US$000	US$000
Cost		
Brought forward	1,649	1,665
Additions	26	63
Disposals	(53)	(79)
Carried forward	1,622	1,649
Depreciation		
Brought forward	1,307	1,052
Charge	301	334
Disposals	(48)	(79)
Carried forward	1,560	1,307
Net book value brought forward	**342**	**613**
Net book value carried forward	**62**	**342**

13 Trade and other receivables

	31 December 2015	31 December 2014
	US$000	US$000
Other receivables and prepayments	**1,306**	**1,681**

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

14 Inventory

	31 December 2015	31 December 2014
	US$000	US$000
Wellheads and casing	938	7,427

The Group has assessed the carrying value of its inventory and has provided for a write-down of $6.6 million (31 December 2014: US$Nil) to net realisable value.

15 Cash and cash equivalents

	31 December 2015	31 December 2014
Analysis by currency	US$000	US$000
US Dollar	31,403	41,627
Brazilian Real	7,823	11,566
Sterling	450	267
Namibian Dollar	23	11
Mauritanian Ouguiya	14	11
	39,713	**53,482**

As at 31 December 2014 the Group held US$1.4 million in a Brazilian Real denominated escrow bank account relating to the farm-out agreement with a wholly owned subsidiary of AziLat Limited. The Group did not control or benefit from this escrow cash and it was not included in the cash balance of US$53.5 million as at 31 December 2014. During 2015, subsequent to termination of the farm-out agreement on 19 May 2015, the funds were returned to AziLat Limited.

As at 31 December 2015 and 31 December 2014 the US Dollar and Sterling cash is held in UK and Guernsey bank accounts. All other cash balances are held in the relevant country of operation.

As at 31 December 2015, the cash balance of US$39.7 million (31 December 2014: US$53.5 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2015	31 December 2014
	US$000	US$000
Brazilian licences	7,216	10,745
Mauritanian licence	611	500
Moroccan licences	2,900	1,900
Namibian 2714B licence	300	300
	11,027	**13,445**

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 2015	31 December 2014
	US$000	US$000
Trade payables	1,600	714
Accruals	596	1,376
Tax Payable	10	42
	2,206	**2,132**

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

17 Share capital

	Authorised			
	31 December 2015	31 December 2015	31 December 2014	31 December 2014
	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 2015	31 December 2015	31 December 2014	31 December 2014
	Number	US$000	Number	US$000
Ordinary shares of 1p each*	**264,274,904**	**4,811**	**262,294,113**	**4,779**

* 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 2014	**Opening Balance**		**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**
17 July 2015	Issue of shares as part of LTIP	3.11	210,000
17 July 2015	Issue of shares as part of LTIP	0.50	813,008
17 July 2015	Issue of shares as part of LTIP	0.39	103,222
17 July 2015	Issue of shares as part of LTIP	0.10	396,478
17 July 2015	Issue of shares as part of LTIP	2.95	12,768
17 July 2015	Issue of shares as part of LTIP	0.33	154,168
17 July 2015	Issue of shares as part of LTIP	0.09	52,120
19 August 2015	Issue of shares as part of LTIP	1.36	15,000
19 August 2015	Issue of shares as part of LTIP	0.50	30,000
19 August 2015	Issue of shares as part of LTIP	0.08	17,642
24 November 2015	Issue of shares as part of LTIP	0.50	134,417

24 November 2015	Issue of shares as part of LTIP	0.06	41,968
31 December 2015			**264,274,904**

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 2015, Westward received administrative services from an employee of Chariot for which Westward incurred fees payable to Chariot of US$13,365 (31 December 2014: US$24,490). The amount outstanding as at 31 December 2015 was US$Nil (31 December 2014: US$27,101).

- Benzu Resources Limited ("Benzu") is a company where Adonis Pouroulis is a Director. During the year ended 31 December 2015, Benzu received administrative services from an employee of Chariot for which Benzu incurred fees payable to Chariot of US$Nil (31 December 2014: US$14,157). The amount outstanding as at 31 December 2015 is US$Nil (31 December 2014: US$24,603).

- Pella Resources Limited ("Pella") is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2015, Pella received administrative services from employees of Chariot for which it incurred fees payable to Chariot of US$37,818 (31 December 2014: US$39,590). The amount outstanding as at 31 December 2015 was US$Nil (31 December 2014: US$44,170).

- Alufer Mining Limited ("Alufer") is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2015, Alufer received administrative services from an employee of Chariot for which it incurred fees payable to Chariot of US$6,902 (31 December 2014: US$Nil). The amount outstanding as at 31 December 2015 was US$6,902 (31 December 2014: US$Nil) 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 2015, no trading in financial instruments was undertaken (31 December 2014: 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.

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$39.7 million (31 December 2014: US$53.5 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$831,000 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 2014: US$1,186,000).

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 part 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 2015	**31 December 2014**
	US$000	**US$000**
Share Option Scheme	-	258

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 2015	31 December 2014
	Number of Options	**Number of Options**
Outstanding at beginning and end of the year	**4,000,000**	**4,000,000**
Exercisable at the end of the year	**4,000,000**	**4,000,000**

The range of the exercise price of share options exercisable at the year-end falls between US$0.37 (25p) – US$1.85 (125p) (31 December 2014: US$0.39 (25p) – US$1.94 (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
15 January 2010	£0.19	£0.28	£0.25	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 2015 of US$978,000 (31 December 2014: US$1,378,000).

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

	31 December 2015	31 December 2014
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**7,953,614**	**6,886,638**
Granted during the year	4,597,143	3,256,581
Shares issued for no consideration during the year	(1,980,791)	(1,908,270)
Lapsed during the year	(221,444)	(281,335)
Outstanding at the end of the year	**10,348,522**	**7,953,614**
Exercisable at the end of the year	**3,920,950**	**2,605,862**

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 2015 of US$126,000 (31 December 2014: US$110,000).

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

	31 December 2015	**31 December 2014**
	Number of awards	**Number of awards**
Outstanding at beginning of the year	**1,259,191**	**505,663**
Granted during the year	208,408	753,528
Lapsed during the year	(46,332)	-
Outstanding at the end of the year	**1,421,267**	**1,259,191**
Exercisable at the end of the year	**557,398**	**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. From 30 December 2015 the withholding tax was reduced to 10%. As at 31 December 2015, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2014: US$Nil). Any subsequent exposure to Namibian withholding tax will be determined by how the relevant legislation evolves in the future and the contracting strategy of the Group.

22 Events after the balance sheet date

On 30 March 2016 the Company announced that its wholly-owned subsidiary, Chariot Oil & Gas Investments (Morocco) Limited, had signed a farm-out agreement with a wholly owned subsidiary of Eni, which will acquire operatorship and a 40% working interest in the Rabat Deep Offshore permits I-VI, Morocco in return for a capped carry on drilling the JP-1 prospect.

The completion of this farm-out agreement remains subject to both the approval of the Moroccan authorities and various conditions precedent, a number of which are outside of Chariot’s control.

Following completion of this agreement the licence ownership will be as follows: Eni (Operator, 40% equity interest), Woodside (25% equity interest), Chariot (10% equity interest) and Office National des Hydrocarbures et des Mines (“ONHYM”) (25% carried interest).