25 September 2019

Chariot Oil & Gas Limited

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

H1 2019 Results

- **Secured the new venture, Lixus Offshore Licence, Morocco, providing a near-term development opportunity and potential for cashflow generation.**
- **Integrated analysis of 2018 drilling operations complete, resulting in refined giant prospect portfolio.**
- **Data rooms open across the portfolio with the aim of securing partners to drill.**
- **30 June 2019 cash position US$12.1 million, no debt and all commitments fully funded.**

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today announces its unaudited interim results for the six-month period ended 30 June 2019.

Highlights:

Low Risk Production Opportunity Secured:

- Award of near-term development opportunity, Lixus Offshore Licence, Morocco:
    - Anchois-1 well gas discovery and satellites offer near-term development opportunity.
    - Deeper prospect offers additional prospective resource potential.
    - Material additional on-block exploration running room in licence.

- Competent Persons Report ("CPR") on the Anchois Discovery complete:
    - Total remaining recoverable resource to be in excess of 1 Tcf for Anchois and its satellite prospects (comprising 2C contingent resources and 2U prospective resources).
    - Anchois North confirmed as the low risk priority satellite with 308 Bcf of 2U prospective resources and probability of geologic success of 43%.
    - Additional on-block prospects with a total remaining recoverable resource in excess of 1.2 Tcf audited 2U prospective resources.

- Development Feasibility Study and Gas Market Assessment completed for the Anchois Gas Field:
    - Development of the Anchois Field is technically feasible with the potential for either a single phase or a staged development to commercially optimise access to different parts of the gas market.
    - Morocco has a fast-growing energy market with strong gas prices that underpins a commercially attractive project.

- Drilling Environmental Impact Assessment ("EIA") initiated; data room for prospective partners open.

- Seismic reprocessing work programme commitment fully funded.

Ongoing Giant Potential Portfolio Progression

Morocco:

- Data room open on the clastic prospects and leads with MOH-B (gross mean prospective resource of 637mmbbls) and KEN-A (gross mean prospective resource of 445mmbbls), priority targets, having been significantly de-risked by the drilling of Rabat Deep 1 in 2018.

- Drilling EIA approved on Kenitra and Mohammedia.
- No remaining work programme commitments.

Brazil:

- Data room open with the aim of securing a partner for the drilling of a single well at Prospect 1 as a fast follower. This can penetrate the TP-1, TP-3 and KP-3 stacked targets, which have a summed, independently audited, gross mean prospective resource of 911mmbbls.
- No remaining work programme commitments.

Namibia:

- Prospect S well (Q4 2018) analysis and integration of legacy data complete. Prospects B, V & W possess characteristics of the excellent reservoir potential of the turbidite sand systems encountered with access to a different source kitchen. Each prospect ranges from 284 - 469mmbbls of gross mean prospective resources.
- No remaining work programme commitments.
- Three third party wells, including one in the block adjacent to Chariot's, due to be drilled in the next year.

Cash Position

- Unaudited cash balance as at 30 June 2019 of US$12.1 million.
- No debt and all work commitments, which are less than US$1.0 million, fully funded.

Appointment of Non-Executive Director

- Andrew Hockey appointed as Independent Non-Executive Director. Andrew has extensive experience in the development and production of gas assets.

Outlook

- Secure partners to participate in the appraisal and development of the Anchois Gas Field in order to generate cashflow and sustain the broader exploration programme.

- Attract industry partners to drill our giant potential exploration prospects, with the aim of delivering transformational value.

- Continue to use expert in-house knowledge base to screen for new ventures within the Atlantic Margin that will further balance the risk profile of the Company.

- Maintain capital discipline throughout the business.

Larry Bottomley, CEO of Chariot commented:

"Using the information acquired from the 2018 drilling campaigns we have not only been able to de-risk and refine our giant prospect portfolio, but also identified and acquired a low risk appraisal asset with the capacity to generate significant cash flow for the Company.

Chariot's risk portfolio is now balanced by a commercially attractive production opportunity, capable of sustaining the high impact exploration programmes of our giant potential prospects within the wider portfolio. Our cash position substantially exceeds our commitments and, with the significant interest received in our data rooms, we are confident about our ability to achieve on our near-term goals in Morocco. At the same time, we remain vigilant to further new venture opportunities that can further de-risk the portfolio whilst also looking to secure additional partners to deliver wells in a fast follower position on our Namibian and Brazilian assets."

Investor Conference Call:
Management will host a conference call for investors at 12.00 noon (BST) today, 25 September 2019. Dial-in details for the call are shown below and participants should request to join the "Chariot Oil & Gas – Investor Call".

Dial in number: +44 (0)330 336 9125
Conference Code: 8736798

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

For further information please contact:

Chariot Oil & Gas Limited +44 (0)20 7318 0450
Larry Bottomley, CEO

finnCap (Nominated Adviser and Broker) +44 (0)20 7220 0500
Matt Goode, Christopher Raggett, Anthony Adams (Corporate Finance)
Andrew Burdis (ECM)

Celicourt Communications (Financial PR) +44 (0)208 434 2754
Jimmy Lea

NOTES TO EDITORS

ABOUT CHARIOT

Chariot Oil & Gas Limited is an independent oil and gas company focused on the Atlantic margins. It holds exploration licences covering two blocks in Namibia, three blocks in Morocco and four blocks in the Barreirinhas Basin offshore Brazil.

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

Chief Executive's Review

The progression of the Chariot portfolio in the last year has been substantial. Through the participation in two wells and subsequent associated technical analysis, the in-house team has considerably developed its understanding of the petroleum systems within its own portfolio as well as the broader Atlantic Margin. In H1 2019 this has led to a refined prospect inventory of the giant exploration portfolio as well as the identification and acquisition of a low risk appraisal and development opportunity in the Lixus Licence, offshore Morocco. This asset contains the Anchois gas discovery which, combined with its satellite exploration prospects, comprises in excess of 1 Tcf 2C contingent and 2U prospective resources – the development of which could deliver substantial cash flow to the Company and offer an important source of gas to Morocco's strong and developing gas market.

As a small independent with an in-house team comprising extensive geological knowledge and expert commercial understanding of the areas in which the Company operates, we are often able to move quickly to capitalise on opportunities and to rapidly progress our assets. Within three months of acquiring Lixus the team has re-evaluated significant quantities of 3D seismic and well data, had an independent third party Competent Person's Report on the recoverable resources identified within Anchois and its satellite prospects, commissioned an independent analysis on the technical feasibility of an Anchois development and a detailed analysis of the Moroccan gas market to confirm the commercial potential of the project and, based on the affirmations from these reports, initiated a data room to secure partners to progress the development. In addition, in order to facilitate timely appraisal operations, the appropriate drilling EIA's have been initiated.

As with all of Chariot's assets, the broader Lixus portfolio is believed to contain the potential for significant running room in the success case and a further CPR has been completed on five additional prospects which offer an attractive upside in excess of 1.2 Tcf 2U prospective resources.

At the same time as developing this lower risk part of the portfolio, we have continued our focus on progressing our giant potential exploration assets in which the Company looks to achieve its long-term goal of discovering material quantities of hydrocarbons. The integration of the information from the 2018 drilling campaign with our existing knowledge base is now complete, enabling us to establish a de-risked and refined drilling prospect portfolio. A data room has been opened with this integrated information on priority prospects MOH-B and KEN-A (637mmbbls and 445mmbbls of gross mean prospective resource respectively) which sit in the Mohammedia and Kenitra permits offshore Morocco and associated drilling EIA's have been completed and approved.

In Namibia, the team will look to promote its priority targets B, V and W (each ranging from 284 - 469mmbbls of gross mean prospective resources) as a fast follower. Namibia remains a region of significant industry interest, with three third party wells due to be drilled in the next year, including a well in the block adjacent to that of Chariot's. In a relatively underexplored region such as this information from third party wells is crucial to de-risking assets and we believe that these drilling campaigns will offer important information on the prospectivity within the Central Blocks.

The team will also continue to use this fast follower strategy in its Brazilian acreage. A data room is open on priority Prospect 1 (911mmbbls of gross mean prospective resources in stacked targets), with the aim of securing a partner to drill following the results of a play opening third party well commitment in adjacent acreage.

The goal of Chariot's ongoing new venture acquisition screening process is to identify value accretive assets that will provide balance to the wider portfolio. By adding recoverable resources to the asset base the Company believes that it has created the potential for a sustainable platform from which to progress the giant exploration prospect portfolio – a discovery from which would transform the Company.

Our half year cash balance of US$12.1 million is well in excess of our current work commitments, which are less than US$1.0 million. With our continued focus on partnering to deliver on drilling campaigns and a tight control over our cost base we believe that we are in a secure position to achieve our near term objectives, the success of which is anticipated to contribute towards the development of the high impact exploration options within the broader portfolio, and, ultimately, the delivery of transformational value to stakeholders.

Operational Review

Morocco

<u>Appraisal:</u>
Lixus (75% Chariot (Operator), 25% ONHYM (carried interest)); all commitments fully funded

Since the acquisition of the low risk production opportunity within Lixus in April 2019, the Company has completed an evaluation of all the subsurface seismic and well data and an independent CPR by Netherland Sewell & Associates Inc. has been carried out. This third-party evaluation not only confirmed Chariot's analysis but also upgraded the total remaining recoverable resource for Anchois and its satellite prospects to in excess of 1 Tcf (comprising 2C contingent resources and 2U prospective resources). Anchois North is confirmed as the low risk priority satellite prospect with 308 Bcf of 2U prospective resources and a probability of geological success of 43%.

In line with its commitment to developing the gas market and maturing development concepts for the Anchois gas field the team commissioned a Development Feasibility Study and a Morocco Gas Market and Anchois Field Monetisation Assessment. These studies demonstrated that the development of the Anchois gas field project is technically feasible and commercially attractive to the Company as well as a potentially important source of gas to Morocco's strong and developing gas market. The development scheme has significant flexibility owing to the numerous satellite prospects adjacent to the Anchois discovery.

The teams' re-evaluation of the subsurface identified significant running room within the broader Lixus portfolio and a further CPR on these additional five prospects within the licence has been completed identifying an additional total remaining recoverable resource in excess of 1.2 Tcf 2U prospective resources.

A data room to identify partners to develop the project has been opened and we have seen significant industry interest to date. Consistent with all our exploration programmes, to accelerate drilling where possible, we have looked to ensure that economically viable long lead requirements are satisfied prior to securing partners. A drilling EIA has been initiated to facilitate the Anchois appraisal project that, subject to partnering, is anticipated to commence in 2020.

<u>High Impact Exploration:</u>
Mohammedia and Kenitra (75% Chariot (Operator), 25% ONHYM (carried interest); no remaining commitments)

An independent CPR has been completed on the integrated analysis from the Rabat Deep 1 well with Chariot's legacy data. This supports the Company's evaluation of MOH-B (gross mean prospective resource of 637mmbbls) and KEN-A (gross mean prospective resource of 445mmbbls) as priority drilling targets. These clastic prospects show the potential for excellent quality upper Jurassic sandstone reservoirs and seal encountered in the Rabat Deep 1 well as well the potential for a hydrocarbon charge from Cretaceous source rocks identified from extensive geochemical analysis.

A data room that includes this integrated analysis is now open and the associated drilling EIAs have been completed and approved.

Brazil

<u>High Impact Exploration:</u>
BAR-M-292, 293, 313 and 314 (100% Chariot (Operator); no remaining commitments)

In Brazil, Chariot has a data room open on the independently audited, large four-way dip-closed structure which consists of seven reservoir targets, individually ranging up to 366mmbbls of gross mean prospective resource. In particular, the Company is promoting Prospect 1, which can penetrate a summed gross prospective resource of 911mmbbls in TP-1, TP-3 and KP-3 by a single vertical well.

In line with its fast follower approach, Chariot anticipates partnered drilling to occur after third party drilling in adjacent acreage. This will test the potential of the deeper outboard basin and, crucially, directly de-risk Chariot's priority targets which are located within the same play fairway, but, critically, in an up-dip setting.

Namibia

High Impact Exploration:
PEL-71, "Central Blocks" (65% Chariot (Operator), 20% Azinam; 10% NAMCOR; 5% Ignitus; no remaining commitments)

Following the disappointing results of the Prospect S well in Q4 2018, the Company has carried out extensive post-well analysis to determine the impact on the remaining prospectivity of the Central Blocks, which span a vast 16,800km^2.

The data recovered from the well has provided valuable information about the excellent reservoir potential of the turbidite sand systems which form the primary targets across many of the remaining prospects, including the independently audited Prospects B, V and W, each ranging from 284 - 469mmbbls of gross mean prospective resources. These prospects access an outboard source kitchen different to the inboard kitchen postulated for Prospect S and have a geological chance of success ranging from 22-25%. The Company will look to promote these prospects to interested parties using its "fast follower" strategy, with the aim of drilling after integrating additional anticipated third-party exploration well results in neighbouring acreage, likely to commence in 2020.

New Ventures

Part of Chariot's ability to identify and progress its assets is due to the strength of its in-house team and the experience built in our regions of operation. The Company continues to use this elevated level of knowledge and understanding to evaluate and capitalise on further new venture opportunities that, like the Lixus licence, can offer additional diversification to the risk portfolio of the Company.

Financial Review

The Group is debt free and had a cash balance of US$12.1 million at 30 June 2019 (US$28.4 million at 30 June 2018; US$19.8 million at 31 December 2018), with all work commitments, which are less than US$1.0 million, fully funded.

Other administrative expenses of US$1.5 million (30 June 2018: US$1.5 million) remain in line with the prior period reflecting the ongoing commitment to capital discipline and overhead control.

Finance income and expense net gain of US$0.1 million (30 June 2018: net loss US$0.1 million) comprises interest on cash and foreign exchange movements on non-US$ cash. The net loss of US$0.1 million for the six months ended 30 June 2018 is due to the holding of slightly higher cash balances in Sterling to meet prior year drilling costs denominated in Sterling resulting in higher foreign exchange movement. There has been no corresponding requirement to hold Sterling cash balances in the current period.

Share-based payments charges of US$0.4 million are marginally lower than the US$0.5 million incurred for the six months ended 30 June 2018 due to the vesting of historic awards of employee deferred shares.

Corporate

Chariot looks to ensure that in all aspects of its work it has the appropriate experience and background knowledge to progress assets to the best of its ability. With the addition of this appraisal opportunity to the portfolio, the Board has sought to complement its already extensive and varied experience with that of a new Non-Executive Director, Andrew Hockey. Andrew's expertise in delivering gas appraisal and development projects will prove invaluable to the Company's decision-making process as it looks to progress its assets, in particular that of Lixus.

Outlook

Our objective in securing Lixus is for the substantial cashflow anticipated to be generated from the appraisal and development of Anchois to sustain our longer term, transformational potential exploration drilling programmes across the wider portfolio.

Subject to partnering, we anticipate the appraisal and development project of Anchois to commence in 2020, with first gas achievable in 2023. At the same time, we will continue to promote our giant exploration prospects to the industry, with the aim of securing drilling partners to deliver this potential for transformational value in the near term in Morocco and with a fast follower positioning in Brazil and Namibia. We will also continue to seek further opportunities that can offer additional balance to the risk of the portfolio.

As ever, in all that we do we will remain vigilant to our cash balance, applying capital discipline in all areas of our business. We are excited about the coming months and believe that the quality of the portfolio demonstrated by the significant work done to date, our experienced and capable team and our clear strategic focus make us well placed to achieve our objectives.

Larry Bottomley
Chief Executive Officer

24 September 2019

Chariot Oil & Gas Limited
Independent review report to Chariot Oil & Gas Limited

Introduction

We have been engaged by the Group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Group's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP

Chartered Accountants

London

United Kingdom

24 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Chariot Oil & Gas Limited
Consolidated statement of comprehensive income for the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 US$000 Unaudited	Six months ended 30 June 2018 US$000 Unaudited	Year ended 31 December 2018 US$000 Audited
Share based payments		(355)	(507)	(904)
Impairment of exploration asset	4	-	-	(10,876)
Other administrative expenses		(1,543)	(1,521)	(3,359)
Total operating expenses		(1,898)	(2,028)	(15,139)
Loss from operations		**(1,898)**	**(2,028)**	**(15,139)**
Finance income		102	158	371
Finance expense		(69)	(256)	(356)
Loss for the period before taxation		**(1,865)**	**(2,126)**	**(15,124)**
Tax expense		(11)	(12)	(12)
Loss for the period and total comprehensive loss for the period attributable to equity owners of the parent		**(1,876)**	**(2,138)**	**(15,136)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	**3**	**US$(0.01)**	**US$(0.01)**	**US$(0.04)**

Chariot Oil & Gas Limited

Consolidated statement of changes in equity for the six months ended 30 June 2019

	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
For the six months ended 30 June 2019 (unaudited)							
As at 1 January 2019	**6,264**	**356,336**	**796**	**4,928**	**(1,241)**	**(277,124)**	**89,959**
Loss and total comprehensive loss for the period	-	-	-	-	-	(1,876)	(1,876)
Share based payments	-	-	-	355	-	-	355
Transfer of reserves due to issue of share awards	4	167	-	(171)	-	-	-
As at 30 June 2019	**6,268**	**356,503**	**796**	**5,112**	**(1,241)**	**(279,000)**	**88,438**
For the six months ended 30 June 2018 (unaudited)							
As at 1 January 2018	**4,881**	**340,743**	**796**	**4,472**	**(1,241)**	**(261,988)**	**87,663**
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,138)	(2,138)
Issue of capital	1,355	16,258	-	-	-	-	17,613
Issue costs	-	(1,085)	-	-	-	-	(1,085)
Share based payments	-	-	-	507	-	-	507
Transfer of reserves due to issue of share awards	3	26	-	(29)	-	-	-
As at 30 June 2018	**6,239**	**355,942**	**796**	**4,950**	**(1,241)**	**(264,126)**	**102,560**

For the year ended 31 December 2018 (audited)							
As at 1 January 2018	**4,881**	**340,743**	**796**	**4,472**	**(1,241)**	**(261,988)**	**87,663**
Loss and total comprehensive loss for the year	-	-	-	-	-	(15,136)	(15,136)
Issue of capital	1,355	16,258	-	-	-	-	17,613
Issue costs	-	(1,085)	-	-	-	-	(1,085)
Share based payments	-	-	-	904	-	-	904
Transfer of reserves due to issue of share awards	28	420	-	(448)	-	-	-
As at 31 December 2018	**6,264**	**356,336**	**796**	**4,928**	**(1,241)**	**(277,124)**	**89,959**

Chariot Oil & Gas Limited
Consolidated statement of financial position as at 30 June 2019

	Notes	30 June 2019 US$000 Unaudited	30 June 2018 US$000 Unaudited	31 December 2018 US$000 Audited
Non-current assets				
Exploration and appraisal costs	4	76,006	74,383	74,236
Property, plant and equipment		134	128	100
Right of use asset: office lease		1,147	-	-
Total non-current assets		**77,287**	**74,511**	**74,336**
Current assets				
Trade and other receivables		1,347	1,076	2,306
Inventory		524	645	524
Cash and cash equivalents	5	12,137	28,369	19,822
Total current assets		**14,008**	**30,090**	**22,652**
Total assets		**91,295**	**104,601**	**96,988**
Current liabilities				
Trade and other payables		1,549	2,041	7,029
Lease liability: office lease		339	-	-
Total current liabilities		**1,888**	**2,041**	**7,029**
Non-current liabilities				
Lease liability: office lease		969	-	-
Total non-current liabilities		**969**	**-**	**-**
Total liabilities		**2,857**	**2,041**	**7,029**
Net assets		**88,438**	**102,560**	**89,959**
Capital and reserves attributable to equity holders of the parent				
Share capital	6	6,268	6,239	6,264
Share premium		356,503	355,942	356,336
Contributed equity		796	796	796
Share based payment reserve		5,112	4,950	4,928
Foreign exchange reserve		(1,241)	(1,241)	(1,241)
Retained deficit		(279,000)	(264,126)	(277,124)
Total equity		**88,438**	**102,560**	**89,959**

Chariot Oil & Gas Limited

Consolidated cash flow statement for the six months ended 30 June 2019

	Six months ended 30 June 2019 US$000 Unaudited	Six months ended 30 June 2018 US$000 Unaudited	Year ended 31 December 2018 US$000 Audited
Operating activities			
Loss for the period before taxation	(1,865)	(2,126)	(15,124)
Adjustments for:			
Finance income	(102)	(158)	(371)
Finance expense	69	256	356
Depreciation and amortisation	196	28	56
Share based payments	355	507	904
Impairment of exploration asset	-	-	10,876
Net cash outflow from operating activities before changes in working capital	**(1,347)**	**(1,493)**	**(3,303)**
Decrease / (increase) in trade and other receivables	479	195	(560)
Increase / (decrease) in trade and other payables	120	(597)	(775)
Increase in inventories	-	(165)	(44)
Cash outflow from operating activities	**(748)**	**(2,060)**	**(4,682)**
Tax payment	(11)	(12)	(12)
Net cash outflow from operating activities	**(759)**	**(2,072)**	**(4,694)**
Investing activities			
Finance income	124	155	357
Payments in respect of property, plant and equipment	(66)	(23)	(23)
Payments in respect of intangible assets	(6,752)	(1,196)	(7,223)
Net cash outflow used in investing activities	**(6,694)**	**(1,064)**	**(6,889)**
Financing activities			
Issue of ordinary share capital	-	17,613	17,613
Issue costs	-	(1,085)	(1,085)
Payment of lease liabilities	(164)	-	-
Finance expense on lease	(52)	-	-
Net cash inflow from financing activities	**(216)**	**16,528**	**16,528**
Net (decrease) / increase in cash and cash equivalents in the period	**(7,669)**	**13,392**	**4,945**
Cash and cash equivalents at start of the period	**19,822**	**15,233**	**15,233**
Effect of foreign exchange rate changes on cash and cash equivalent	(16)	(256)	(356)
Cash and cash equivalents at end of the period	**12,137**	**28,369**	**19,822**

Chariot Oil & Gas Limited

Notes to the interim financial statements for the six months ended 30 June 2019

1. Accounting policies

Basis of preparation

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU.

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2018. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

Other than IFRS 16 Leases there has been no impact on the Group of any new standards, amendments or interpretations that have become effective in the period. The Group has not early adopted any new standards, amendments or interpretations.

New accounting standard adopted

The Group has adopted IFRS 16 Leases effective 1 January 2019. On adoption, the Group recognised a lease liability in relation to the UK office that had previously been classified as an operating lease under the principles of IAS 17 Leases.

This affected the following items in the consolidated balance sheet on 1 January 2019:

• right-of-use assets - increase by US$1.3 million (30 June 2019: US$ 1.1 million)

• lease liabilities - increase by US$1.5 million (30 June 2019: US$ 1.3 million)

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Additional disclosure will be provided in the 2019 Financial Statements relating to leases where material.

2. Financial reporting period

The interim financial information for the period 1 January 2019 to 30 June 2019 is unaudited but was the subject of an independent review carried out by the Company's auditors, BDO LLP. The financial statements also incorporate the unaudited figures for the interim period 1 January 2018 to 30 June 2018 and the audited figures for the year ended 31 December 2018.

The financial information contained in this interim report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008.

The figures for the year ended 31 December 2018 are not the Group's full statutory accounts for that year. The auditors' report on those accounts was unqualified, did not contain references to matters to which the auditors drew attention by way of emphasis and did not contain a statement under section 263 (3) of the Companies (Guernsey) Law 2008.

3. Loss per share

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
Loss for the period US$000	(1,876)	(2,138)	(15,136)
Weighted average number of shares	367,274,992	319,017,446	343,201,438
Loss per share, basic and diluted*	**US$(0.01)**	**US$(0.01)**	**US$(0.04)**

*Inclusion of the potential ordinary shares would result in a decrease in the loss per share and, as such, is considered to be anti-dilutive. Consequently a separate diluted loss per share has not been presented.

4. Exploration and appraisal costs

	30 June 2019	30 June 2018	31 December 2018
	US$000	**US$000**	**US$000**
Balance brought forward	**74,236**	**72,770**	**72,770**
Additions	1,770	1,613	12,342
Impairment	-	-	(10,876)
Net book value	**76,006**	**74,383**	**74,236**

As at 30 June 2019 the net book values of the three cost pools are Central Blocks offshore Namibia US$50.8 million (31 December 2018: US$50.5 million), Morocco US$9.8 million (31 December 2018: US$8.5 million) and Brazil US$15.4 million (31 December 2018: US$15.2 million).

The impairment charge in 2018 is in respect of drilling the Prospect S well in the Central Blocks offshore Namibia. The Group continues to see value in the remaining prospects within the Central Blocks with recoverable amount assessed to be in excess of carrying value.

5. Cash and cash equivalents

As at 30 June 2019 the cash balance of US$12.1 million (31 December 2018: US$19.8 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	30 June 2019	30 June 2018	31 December 2018
	US$000	**US$000**	**US$000**
Moroccan licences	650	3,550	800
	650	**3,550**	**800**

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

6. Share capital

	Allotted, called up and fully paid					
	At 30 June 2019	At 30 June 2019	At 30 June 2018	At 30 June 2018	31 December 2018	31 December 2018
	Number	US$000	Number	US$000	Number	US$000
Ordinary shares of 1p each	367,532,909	6,268	365,611,685	6,239	367,259,909	6,264

Details of the Ordinary shares issued during the six month period to 30 June 2019 are given in the table below:

Date	Description	Price US$	No of shares
1 January 2019	**Opening Balance**		**367,259,909**
20 June 2019	Issue of share award	1.35	40,000
20 June 2019	Issue of share award	0.50	233,000
30 June 2019			**367,532,909**

The ordinary shares have a nominal value of 1p. The share capital has been translated at the historic rate at the date of issue, or, in the case of the LTIP, the date of grant.