17 December 2015

Chariot Oil & Gas Limited

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

Pre-Close Operational Update

Chariot Oil & Gas Limited (AIM: CHAR), the Atlantic margins focused oil and gas exploration company, today provides a pre-close operational update prior to its year end 31 December.

Throughout the year, the Company has continued to focus on its risk management strategy, protecting its portfolio and cash position and further maturing its technical understanding of its assets. The markets remain 'risk off' in the E&P space but the Chariot team has looked to position the business for the longer term by progressing its portfolio and strategy. With its giant asset potential and operatorship of licences with low commitments and good commercial terms, no debt and fully funded work programmes, Chariot stands in good stead to succeed in this lower oil price environment despite the challenges that the sector as a whole continues to experience.

Chariot is seeking third party technical validation and participation in its assets in order to drill its priority prospects and accordingly data rooms across the portfolio remain active. Whilst farm-out conditions are tougher and deal terms likely to reflect the current climate, the team remains optimistic with regard to its ongoing discussions. Obtaining partners for its assets and progressing towards drilling will continue to be a key focus in 2016.

In terms of portfolio management and maturation, in Morocco, Chariot and its partners have agreed a nine month extension on the Rabat Deep licence to provide adequate time for the partnership to complete analysis of the recent seabed coring programme, prior to entering the next phase of exploration. This work is important in helping to support the understanding of hydrocarbon migration and subsequently to determine the best location for drilling priority prospect JP-1.

As part of its focus on portfolio management and capital discipline, Chariot continuously reviews the prospectivity of its licences and their associated risk in line with its strategy: to be in a strong position to attract industry partners to participate in the investment phases of each asset. As part of this, the Company is in the process of converting the Mohammedia Reconnaissance Licence into Exploration Permits, where it has identified significant follow-on potential in the success case for JP-1. In addition, following an in-depth review of the plays in the region, whilst Chariot sees potential in the Loukos Exploration Permit, it has chosen not to enter the next exploration period in order to maintain capital discipline and focus on the areas that it believes have a higher chance of attracting partner participation.

In Mauritania, the Company secured a one year extension on its C-19 licence during the course of the year to ensure that it had the time to analyse the results of its seabed coring programme. As with Morocco, the aim of this is to provide an improved understanding of hydrocarbon migration and the subsurface potential for its priority prospects prior to entering the next phase of exploration.

Offshore Namibia, the Company has fulfilled its commitments in the Southern Blocks and 1,700 line km of 2D seismic data has been collected in the Central Blocks in preparation for the design and acquisition of a 3D programme in 2016. Analysis of this seismic is now complete, with significant additional prospectivity identified within the Upper Cretaceous clastic deep water turbidite systems. Tenders are currently out to secure a competitive cost for a ~2,600km^2 3D survey in the north-western part of the licence in order to de-risk key areas of interest. On completion, there will be no remaining commitments within this phase of exploration. A dataroom is now open to seek a tier one partner on the seismic programme.

In Brazil, the Environmental Impact Assessment ("EIA") has now been approved. As noted in the Interims, the seismic acquisition contract has been agreed and the initiation of the commitment 3D seismic programme across the entirety of the acreage is expected to commence in Q1 2016.

Capital discipline is an ongoing focus and Chariot remains fully funded for all of its commitments. At year end, the unaudited cash position of the Company is expected to be approximately US$39 million. The team remains active in evaluating new venture opportunities to look to balance the risk profile with assets of suitable fit.

Larry Bottomley, CEO commented:

"This year, we have continued to protect the portfolio as far as possible whilst maintaining a position of financial and technical strength in order to partner and progress in the current environment. We remain encouraged by the interest in our datarooms and our ongoing discussions, and we will continue to focus on our prudent risk management strategy with the aim of taking our priority targets through to drilling."

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NOTES TO EDITORS

About Chariot

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

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