CHARIOT
TRANSITIONAL ENERGY

DEVELOPING SCALABLE TRANSITIONAL ENERGY PROJECTS

CHARIOT LIMITED
Annual Report & Accounts 2023

WELCOME

Our mission is to create value and deliver positive change through investment in projects that are driving the energy revolution.

VISIT US ONLINE

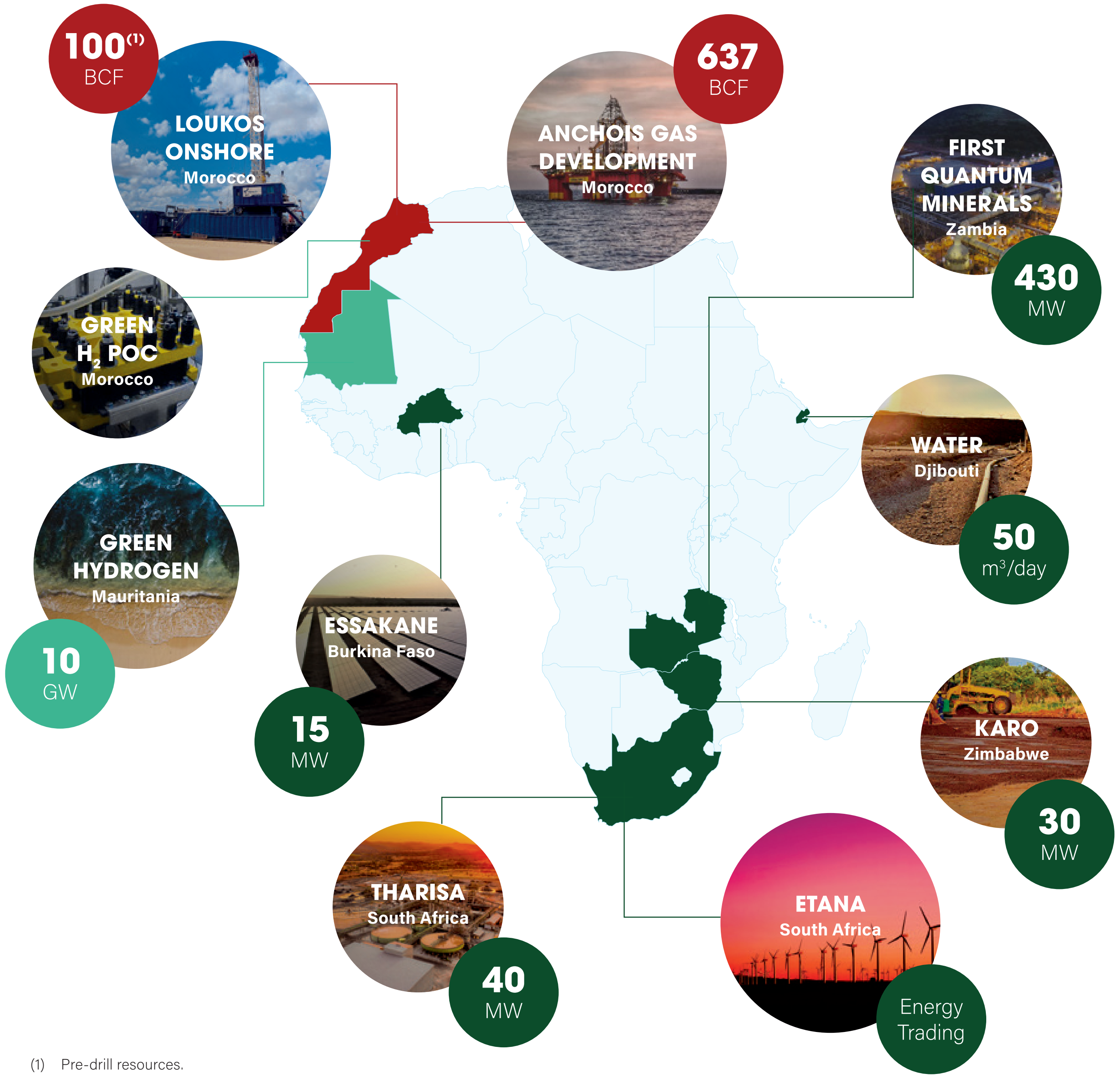
For the latest news and information on our Company and its activities check out our corporate website to stay up to date.

chariotenergygroup.com

WHO WE ARE

We are an Africa focused Transitional Energy Group.

Chariot is focused on providing cleaner energy across the African continent via our Transitional Gas, Transitional Power and Green Hydrogen business streams.



(1) Pre-drill resources.

TRANSITIONAL GAS
Read more on page 18

TRANSITIONAL POWER
Read more on page 24

GREEN HYDROGEN
Read more on page 28

KEY HIGHLIGHTS THROUGHOUT 2023 AND POST PERIOD:

TRANSITIONAL GAS

Offshore Morocco:

- Completion of Front End Engineering and Design ("FEED") for the Anchois gas development project ('Anchois') in the Lixus licence offshore Morocco
- Partnership agreed with Vivo Energy to develop a gas-to-industry market in Morocco
- Environmental Impact Assessment approval received for Anchois development
- Partnership agreements signed and completed with Energean plc ('Energean') on the Lixus and Rissana licences, offshore Morocco
    - Focused on expansion and delivery of Anchois
    - Formal approvals duly received from the Moroccan authorities
    - Rig contract signed with Stena Drilling for Stena Forth drillship
    - Appraisal and development well to be drilled in Q3 2024 with option for an additional well

Onshore Morocco

- Award of new licence – Loukos Onshore ('Loukos') in July 2023
- Environmental Impact Assessment approval received for drilling on Loukos and construction activities and permitting conducted within ten months of licence award
- Initial drilling campaign commenced and successfully completed in May 2024 safely, efficiently, on time and on budget
    - The RZK-1 well drilled on the Gaufrette prospect confirmed good quality reservoir and multiple gas shows, though was sub economic
    - Gas discovery confirmed from drilling the OBA-1 well at the Dartois prospect – gross interval approximately 70m of primary interest identified
    - OBA-1 well has been cased and cemented with a Christmas tree installed for rigless flow testing and potential use as a future producer

TRANSITIONAL POWER

- Strategic review underway to secure financing and enable ongoing growth and development of the portfolio

Power to Mining projects:

- Operational Essakane 15MW solar project at IAMGOLD's gold mine in which Chariot has a 10% share in Burkina Faso, continues to perform well
- Progressing development of three key renewable projects in Africa:
    - Tharisa – 40MW solar project in South Africa
    - Karo – 30MW solar project in Zimbabwe
    - First Quantum Minerals 430MW solar and wind projects in Zambia

Electricity Trading:

- Increased stake in South African electricity trading joint venture Etana Energy (Pty) Limited to 49%
    - Enables Chariot's participation in large renewable generation projects – 400MW of gross wind generation capacity identified
    - Focused on securing multiple electricity offtake agreements with a range of consumers – supply deals signed up with Growthpoint Properties and Autocast with others under negotiation
    - Renewable energy wheeled for the first time through Cape Town's grid

Water:

- Successfully commissioned the proof-of-concept water project in Djibouti in June 2023
- Evaluating other opportunities within Africa

GREEN HYDROGEN

- Feasibility Study completed on Project Nour in Mauritania alongside partner TEH2 (80% owned by TotalEnergies and 20% owned by the EREN Group)
    - Confirms world class scale, outlines first phase pathway for domestic and export development
- Partnership agreements extended with UM6P and Oort Energy on proof-of-concept projects in Morocco
- Other green hydrogen projects under evaluation and development

CORPORATE

- Placing and oversubscribed open offer successfully raised US$19.1 million in June 2023
- Cash position as at 31 December 2023 was US$6.0 million
- US$10 million received on completion of Energean deal in April 2024
- No debt and minimal work commitments

"

Since our last set of results we have progressed all of the assets that sit within our natural gas, renewables and green hydrogen pillars and, importantly, we have further de-risked each division of the business. In Morocco, we secured a highly experienced partner for our offshore Anchois gas project, secured new acreage and successfully drilled in the contiguous Loukos Onshore licence. We have materially increased our exposure to renewable energy generation and electricity trading in South Africa, furthered our financing and development plans for our power business and advanced our green hydrogen projects in both Mauritania and Morocco.

We are excited about the ongoing activities and catalysts ahead of us with our forward plans for Loukos, drilling at Anchois in August and moving into the next phases of evolution for Power and Hydrogen. Going forward, we are focused on generating near-term cashflows from our gas business with our overriding ambition to return capital to shareholders from these revenues. While we will continue to pursue new opportunities, we see great scale and value across our current asset base and are fully focused on delivery throughout 2024 and beyond.

ADONIS POUROULIS
Chief Executive Officer

CHARIOT'S ROLE IN THE GLOBAL ENERGY TRANSITION

Energy security and sustainability are at the top of the global agenda, and affordable, accessible energy is critical to enabling the ongoing energy transition.

6X
expected increase in electricity demand on African continent by 2050

2.5BN
expected population of Africa by 2050

25%
of the world's energy comes from natural gas

600M
people in Africa with no access to affordable energy

90%
of Morocco's energy sources are imported with coal dominating the energy mix

With increasing growth and demand and the challenge of meeting 2050 climate targets, all elements of the energy mix have a key role to play.

c.370mmscf/d
potential Morocco power sector demand by 2040

80%
of South Africa's greenhouse gas emissions come from coal-fired power generation

50%
power downtime in South Africa in December 2023

1 IN 3
people in Africa affected by water scarcity

600MT
global H_2 demand by 2050 – majority from Green Hydrogen alone

REASONS TO INVEST IN CHARIOT:

- Focused on delivering cashflows and generating returns for shareholders
- Portfolio of energy assets focused on near-term production and long term scalability
- Developing important domestic resources with immediate markets
- Progressing material gas discoveries in Morocco
- Expanding renewable energy generation and electricity trading in Southern Africa
- Progressing one of the world's largest green hydrogen projects

OUR BUSINESS MODEL AND STRATEGY

Building a sustainable energy business

OUR STRATEGY

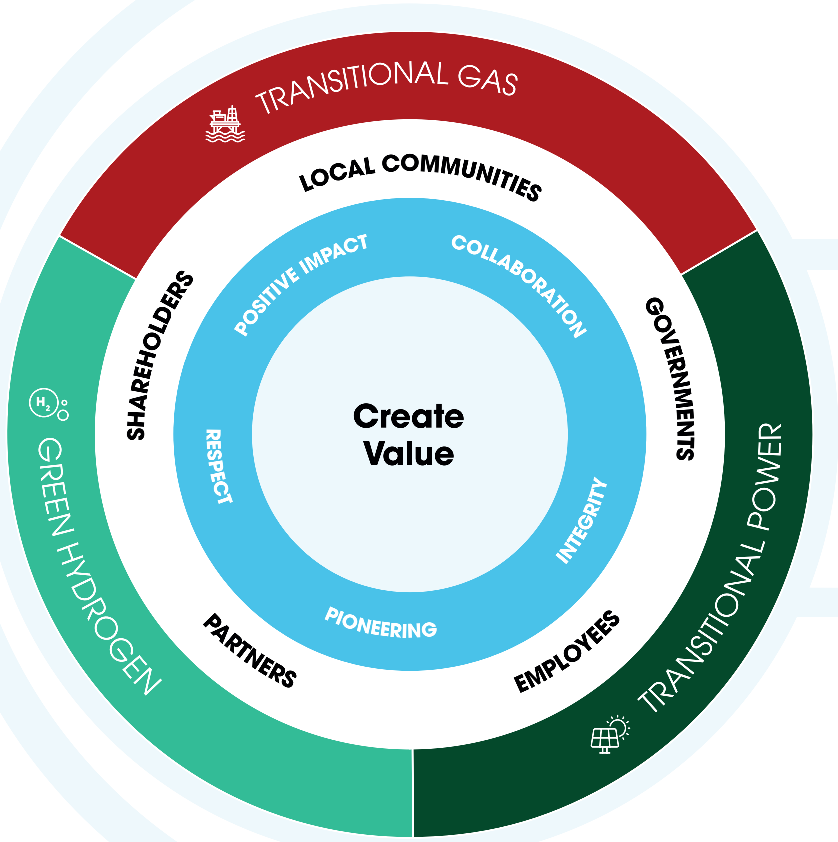
Developing significant, scalable, first mover positions in large scale energy transition projects

Harnessing Africa's unique resources to provide affordable and sustainable energy

Contributing to a cleaner energy future and provide solutions to security and sustainability

Overarching focus on improving accessibility to, and provision of, essential resources

OUR BUSINESS PILLARS



OUR FOCUS

TRANSITIONAL GAS

Delivering a strategically located and material new natural gas province in Morocco

TRANSITIONAL POWER

Developing some of the largest renewable energy projects in Africa

GREEN HYDROGEN

Building a world-class green hydrogen portfolio

THE VALUE WE CREATE

All pillars focus on providing energy sources which will have a critical role to play in the future.

We look to:

- Diversify the energy mix
- Support industrial and downstream development
- Reduce dependence on imported fuels

Each asset offers the opportunity to reduce carbon emissions as a result of their implementation.

We are looking to develop and deliver projects with long term value and legacy.

Values underneath:

Our mission is to create value and deliver positive change through investment in projects that are driving the energy revolution.

POSITIVE IMPACT: Developing projects which make a real beneficial change to the environment, countries and local communities by creating employment, facilitating energy independence and generating opportunities of progression and value.

RESPECT: Supporting a culture of honesty and responsible management through engagement in projects and partnerships that embody our values and demonstrate our vision.

COLLABORATION: Creating partnerships of mutual benefit and ensuring a balance between building constructive relationships and a sustainable business in an environment that inspires knowledge growth.

INTEGRITY: Operating with a team trusted throughout the industry for their technical excellence and transparency.

PIONEERING: Challenging convention and building momentum by fostering an innovative, agile and enterprising philosophy.

OUR BUSINESS OUTLOOK:

CHARIOT GROUP

- **NEAR TERM**: De-risk business → Generate revenues
- **MID TERM**: Material cash generation → Diverse, multi-asset company
- **OUTLOOK**: Leader in energy transition → Deliver multiple world-class assets

TRANSITIONAL GAS:

ONSHORE:

75[1] Bcf
100[1] Bcf

- Drilling campaign
- First gas at Loukos
- Organic re-investment
- Gas-to-industry at scale

OFFSHORE:

637 Bcf
4[2] Tcf

- Drill Anchois-East well with Energean
- Reach FID
- Anchois material cashflows
- Upsides unlocked

MULTI Tcf
DELIVER LONG-TERM RESOURCE

TRANSITIONAL POWER:

RENEWABLES:

40 MW
515 MW

- Progress power projects and build out Etana platform
- Deliver multiple renewable projects

TRADING:

400 MW
2 GW

- Access generation projects
- Scale up end-to-end solution

2+ GW
PROVIDE SCALEABLE POWER

GREEN HYDROGEN:

NOUR:

1.2 Mtpa
1.6[3] GW

- Feasibility study delivered
- Local green steel offtake
- Complete FEED

PIPELINE:

1 MW
50 MW

- First PoC in production
- Large-scale electrolyser capacity installed

10 GW
EXECUTE GIGA-SCALE PROJECT

(1) Pre-drill resources.
(2) Exploration potential.
(3) First phase electrolysis capacity.

OUR STAKEHOLDERS:

STAKEHOLDER	ENGAGEMENT	POSITIVE IMPACT POTENTIAL
 LOCAL COMMUNITIES	• Regular communication to outline Company's activities, potential impacts and mitigation efforts • Education on project outcomes and potential benefits • Consult on potential social investment and community projects to understand needs and perspectives • Provide support to small and medium enterprises ("SMEs") through local procurement	• Employment through job creation, training and skills development • Contribute to the multiplier effect from project development • Carbon credits can be registered with the UN to raise funds for community development • Development of energy infrastructure which can be of long term value beyond the initial project phase
 GOVERNMENTS	• Look to ensure alignment in developing national energy sectors • Understand mutual goals and longer term vision • Proactively work together to generate a wide range of benefits • Work through the risks and impacts of development projects	• Development of infrastructure and establishment of supply chains • Facilitate reduction of CO_2 emissions through development of energy mix and reduced reliance on heavy oil/ fossil fuels – helping to achieve national decarbonisation goals • Increase access to reliable and sustainable energy supply for population • Contribute to country's GDP through range of development • Encourage further foreign direct investment
 EMPLOYEES	• Foster an environment of knowledge, growth and development • Communicate the Company's mission, vision and values • Outline Company policies, ensure access to management where required • Maintain open dialogue	• Provision of training opportunities and job development • Equal opportunities for all head office and project staff • Safe work environments • Net positive job creator
 PARTNERS	• Work together to identify mutual goals and the roadmaps to deliver them • Understand partner objectives • Ensure adherence to appropriate business practices • Looking to contribute to carbon reduction targets	• Strengthen social licence to operate and contribute to responsible mining credentials • Reduction in carbon emissions targets • Provide measurable ESG impacts
 SHAREHOLDERS	• Ensure regular updates on operations, financial performance and business strategy and vision • Clear, consistent communications through a range of channels – press releases, webcasts, meetings and social media	• Allow shareholders access to information so they can make informed decisions • Maintain investor relations and communicate feedback to management and Board members

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CHAIRMAN'S STATEMENT

"At Chariot, we look to deliver a rational and efficient contribution to the energy transition from all our businesses."

GEORGE CANJAR
Chairman

A view over the Lixus Archeological Site in Larache with the Loukos river visible in the distance.

Responsible growth

Scalable projects

Ongoing volatility over the past year has continued to highlight the interconnected global focus on energy security, as well as the necessity to strike a balance between the need for steady supply, economic advancement and progress across the energy transition.

Nowhere is this better illustrated than in Africa. The current contrast between resource abundance and energy poverty on the continent is striking and, when combined with significant levels of population growth, projected to reach over 2.5 billion by 2050, it becomes truly profound. This situation drives our focus to unlock all types of lower carbon energy resource to serve and uplift the African population and support economic growth across industrial and urban communities.

OUR PURPOSE:

At Chariot, we look to deliver a rational and efficient contribution to the energy transition from all our businesses. Hydrocarbons will remain a significant proportion of the global energy mix for decades to come but renewables will supplement and support the energy demand and it is critical to advance every opportunity to reduce emissions. Natural gas will play an essential part in improving access to electricity whilst facilitating growth and development, but displacement of coal power generation, as we are looking to do in Morocco over the longer term, will also be a crucial factor. Wind and solar replacing heavy fuel in decentralised locations also decreases carbon emissions while grid scale renewable power augmenting existing electricity networks demonstrates scale and immediate impact. Concurrently, green hydrogen developments and integration within hard-to-abate industries arguably foreshadows future solutions with near zero emission. Our assets play directly into the themes of energy security, sustainability and supply but our projects also have the potential to have wide ranging positive impacts across skills training, job creation and expansion of local infrastructure within the countries in which we work.

OUR PORTFOLIO

While the businesses in our portfolio are diverse, they have consistent characteristics. They all address important energy requirements, each is foundational, and we have adopted a first mover approach in all three. Each also possesses significant growth opportunities, both in-country and across Africa, and we are partnering with world class companies to deliver these scalable assets.

Moroccan gas province: It is rare to discover a new gas province of significant scale. With the combined Loukos, Lixus and Rissana licences, Chariot has an enviable footprint in a Moroccan onshore, shallow water and deep water gas province where we see material upside potential. Although we are currently focused on specific prospects and areas within each licence, we also see numerous additional tieback targets, very large, contiguous basin floor fan prospects as well as an entire shallow water trend within this acreage.

Pan African renewable power: In addition to our decentralised renewable power projects focused primarily on the mining sector, our business model has evolved to scale. This next chapter takes advantage of multi-megawatt wind and solar developments that can directly access the established grid network and the trade of low carbon power supply to a variety of clients across South Africa. Our renewable expertise and industry partnerships, combined with our Etana trading company, makes this possible and will result in cleaner energy solutions and improved access to much needed electricity.

Green Hydrogen in Mauritania and beyond: Chariot has rapidly established itself as an important part of Mauritania's aim to be a leader in the global green hydrogen market with the development of the giga-scale Project Nour, and we have initiated other smaller scale but important proof-of-concept projects in Morocco and Mauritania. These projects are taking advantage of the world class wind and solar power that are found in key parts of the continent and our teams are looking to develop domestic production capabilities and export optionality. With advancements in associated technology, these developments are leading the way towards delivering green hydrogen projects at competitive international pricing within the next decade.

OUR PATH FORWARD

With the challenges to energy security as a backdrop, Chariot is committed to support responsible growth and energy independence in our host countries' economies, as well as looking to develop access into wider international markets.

We recognise that our Company has projects across multiple areas, and we will look for ways to advance the progress and finance of each one in the most efficient way. In 2024, we continue to progress our Moroccan gas portfolio, South African renewable generation and power trading business and green hydrogen assets, as well as considering new venture opportunities. We feel there is a lot to play for. I offer sincere thanks to our shareholders, host governments, local communities, staff, contractors, and consultants. I greatly appreciate the work that has been undertaken to get us to this point and look forward to a successful year ahead.

GEORGE CANJAR
Chairman

10 June 2024

JANUARY 2023 – Acquisition of renewable water business

MARCH 2023 – Completion of FEED at Anchois gas project

MAY 2023 – Gas-to-industry partnership agreed with Vivo Energy

JULY 2023 – Award of Loukos Onshore licence, Morocco

AUGUST 2023 – Extension of collaboration of Green Hydrogen pilot projects in Morocco

OCTOBER 2023 – EIA approval received for Anchois

DECEMBER 2023 – Partnership agreements signed with Energean offshore Morocco

JANUARY 2024 – Etana supply deal signed with Growthpoint Properties

JANUARY 2024 – Increased holding in Etana Trading joint venture in South Africa

JANUARY 2024 – EIA approval received for Loukos drilling

MARCH 2024 – Strategic Review of Power division

MARCH 2024 – Completion of Feasibility Study on Project Nour in Mauritania

APRIL 2024 – Completion of Energean transaction and signature of rig contract

MAY 2024 – Two well drilling campaign successfully completed on Loukos Onshore licence

MAY 2024 – Gas discovery confirmed by the OBA-1 well on the Dartois prospect

Q&A WITH THE CEO

> Across our assets we are focused on developing competitive supply that can help meet domestic and export needs utilising our in-house expertise and working closely with our partners and host Governments.

ADONIS POUROULIS
Chief Executive Officer

Messinian sandstones sandwiched between Permian red beds and Tortonian Marls.

WHAT ARE THE KEY ATTRIBUTES THAT UNDERPIN CHARIOT AS AN INVESTMENT OPPORTUNITY?

The quality of our asset base across the three pillar portfolio, the global need to meet energy requirements, our team and our focus on Africa are the foundations of our business model and strategy. We are very much focused on our Transitional Gas division of the business where we are looking to get to first gas and generate cashflows as quickly as possible with the overriding objective to return cash to our shareholders.

The global need for energy is increasing dramatically, and in Africa alone electricity demand is expected to rise six fold by 2050. It is well documented that there is a critical need to rebalance the energy mix whilst generating reliable, affordable and accessible supply with a focus on closing the energy gap. Viable solutions need to be implemented to ensure stable growth and address the power poverty situation that is hindering the continents, development. Chariot is playing a meaningful role in this goal.

Our portfolio of projects will play an important part in diversifying energy sources, supporting industrial and downstream development and reducing reliance on imports. This also has the very important knock-on effect of stimulating the creation of further industry for the communities and countries we operate in. Our focus is on Africa due to its vast resource wealth but we also have a depth of knowledge across the continent and can leverage our expertise to play a tangible role in developing its energy networks. Importantly, we are looking to deliver into undersupplied markets that have immediate demand. Across our assets, we are focused on developing competitive supply that can help meet domestic and export needs, utilising our in-house expertise and working closely with our partners and host governments. These are the underlying tenets of the unique investment opportunity that Chariot offers and how we will create future value.

CAN YOU GIVE US YOUR VIEW ON THE IMPORTANCE OF DEVELOPING GAS ASSETS WITHIN THE TRANSITIONAL ENERGY SPACE?

Today, hydrocarbons still make up between 80-85% of the world's energy consumption so the transition to a new energy mix will take time but we need to have practical, workable solutions. It is impossible to implement an immediate shift away from fossil fuels and it is important to note that this would also exacerbate energy poverty in developing countries.

Whilst gas is a hydrocarbon, it has a lower carbon footprint than most and is widely viewed as a transitional fuel. African countries are increasingly embracing energy solutions that integrate hydrocarbons and renewable sources but having access to dependable baseload power underpins all developments. With hydrocarbons as a baseload – and gas, in our case in Morocco – you can be more relentless in advancing new projects and technologies so it can play a key role in accelerating the adoption of a range of new energy sources whilst supporting longer term substitution.

Chariot's storage base in Lalla Mimouna, complete with all appropriate signage.

WHAT WERE YOUR HEADLINE ACHIEVEMENTS IN THE TRANSITIONAL GAS BUSINESS THIS YEAR?

Our main highlights have been securing Energean as a partner on our offshore Moroccan acreage; being awarded the Loukos Onshore licence which widened our footprint in Morocco; and successfully delivering our first drilling campaign, with a gas discovery in the OBA-1 well and completing all operations safely and efficiently. Our primary focus for this business year is to now execute our drilling plans offshore where we are looking to increase the resource base to over 1Tcf, move towards a Final Investment Decision ("FID") at Anchois and progress with our forward plans at Loukos.

CAN YOU TELL US MORE ABOUT SECURING ENERGEAN AS A PARTNER?

During the first half of 2023, we completed the FEED phase at our Anchois gas project, which defined our initial development plan and confirmed the commercial viability of this significant discovery. As we progressed our FEED project, we also undertook a partnering process in order to be able to look to upscale and deliver the potential that we saw this project offers. This process generated significant industry interest where we had multiple offers and we were delighted to sign agreements with Energean, the FTSE 250 company, as a partner across our Lixus and Rissana licences. Energean acquired operatorship and 45% in Lixus and 37.5% in Rissana, with Chariot retaining 30% and 37.5% respectively and ONHYM maintaining its 25% stake in each licence. We received US$10 million on completion of this deal, we have a US$85 million gross carry on Pre-FID Lixus costs which includes the Anchois-East well and flow test and a further US$15 million is payable on FID.

They then have an option to acquire a further 10% for a gross development carry of US$850 million to first gas, a US$50 million convertible loan note or 3 million Energean shares, and 7% royalty payments on their production revenues.

Energean is a highly experienced operator in delivering projects of this nature and they share our vision on future development plans. We are looking forward to drilling the Anchois-East well in August this year which will appraise, develop and potentially be a future producer, but is fundamentally being undertaken to look to upscale the development from day one. Anchois is currently the primary focus but the partnership will undertake further exploration across Lixus and Rissana in due course as we see material running room in this acreage.

Chariot and Energean signing the contracts with ONHYM, central to the picture is the DG of ONHYM, Mme. Benkhadra.

Q&A WITH THE CEO CONTINUED

"We believe we have a compelling and relevant story, we believe in our projects and will remain fully focused on realising their potential as we move forward."

ADONIS POUROULIS
Chief Executive Officer

Chariot staff conducting a site visit during drilling operations.

The Star Valley Rig 101 on location during the RZK-1 operations.

ANCHOIS IS LARGER AND LONGER TERM, SO IS LOUKOS AN EARLIER PRODUCTION OPPORTUNITY?

Yes, it is, and we applied for the Loukos Onshore licence as we saw significant, overlooked potential, it was a natural fit for our portfolio and we could expedite drilling plans. We have in-depth knowledge of this area through proprietary data from our Lixus licence which is immediately adjacent and possesses clear geological similarities.

We were delighted to report a gas discovery from the OBA-1 well at the Dartois prospect recently. The planned next steps will be to design and conduct a flow test and our team are working across and integrating all the data we have acquired in the drilling campaign to understand the impacts on the exploration potential of the entire licence area and optimise the future work programme. We are focused on early commercialisation opportunities, as gas produced here can be delivered directly to local industry and we can look to build this out over time. Morocco is an excellent country to work in, with existing infrastructure that we can also utilise, and it is an ongoing pleasure to work with our partner ONHYM on these assets.

CAN YOU GIVE US AN OVERVIEW OF THE ONGOING EVOLUTION OF THE TRANSITIONAL POWER BUSINESS?

When we acquired AEMP in 2021, our focus was on building a portfolio of renewable projects for mining and industrial clients to provide on-site, lower carbon energy solutions and we have four projects with a total of 515MW under development with our partners. This is a business approach that will continue to grow as heavy industry looks to reach emission targets and also because the set up and generation of renewable energy now makes long-term economic sense.

The electricity trading platform, Etana Energy (Pty) Limited, has become a prominent element of this business as we increased our holding to 49% in January 2024, alongside partner H1 Holdings. Through this platform we are tapping into a wide and essential network and we believe that this could be one of the most influential businesses in facilitating, installing and delivering greener, competitive and sustainable energy across South Africa's national grid over the next decade.

This business connects efficient supply to end users through the trading platform but it also enables the development of new, renewable energy generation, in which this Power business can participate. We are very pleased to have signed up some large offtake customers already, with more under negotiation. Our water business is also an important part of this portfolio, addressing another essential need, and there are many ongoing growth opportunities here too. It is important to note that in producing treated water, we will use renewable energy which Chariot intends to supply.

CAN YOU PROVIDE AN UPDATE ON THE STRATEGIC REVIEW OF TRANSITIONAL POWER?

As we have noted before, we have been looking at financing options at the subsidiary level for Transitional Power. With the majority of these assets based in South Africa, and the positive implications that these developments could have for the country, we have found that South Africa focused banks and investors have a strong interest to fund this. As announced in March, and in order to enable the onward growth and progression of this business, we are undertaking a Strategic Review which could result in a full or partial sale or demerger with the aim of maximising value for shareholders. We will likely phase this review as we focus on securing financing for the projects and will provide further updates as this process moves forward.

Wind farm powering the desalination project in Djibouti.

WHAT IS THE LATEST WITH YOUR GREEN HYDROGEN PILLAR?

The green hydrogen story continues to evolve. Over the past year, we completed our Feasibility Study at the 10GW Project Nour in Mauritania alongside our partners TEH2, with whom we have an excellent working relationship. This further confirmed its world class potential and we have also been working on proof-of-concept, nearer term projects through our partnerships with UM6P and Oort Energy in Morocco. We continue to evaluate and progress other opportunities and pilot projects across the African continent as we look at value accretive assets that fit within our investment criteria. Offtake is a key focus for us and we also continue to progress our financing options at the subsidiary level. This is an early stage but vast industry so there are challenges to overcome as it develops, but green hydrogen will be a critical part of the net zero solution.

HOW ARE YOUR HOST COUNTRIES FACILITATING ITS ONGOING EVOLUTION?

We have had only good experiences working in Mauritania and the investment climate continues to improve. This has been recognised in a speech by Ursula von der Leyen, head of the European Commission, in February who stated "we want to build a green hydrogen ecosystem.... here in Mauritania." Green hydrogen will play an important part in their European Green Deal strategy, which is to be climate neutral by 2050, and they are looking to Mauritania as a key export market for this. They also strongly underlined the importance of developing domestic industry and building out the green steel market in-country and we are in step with this through our work there too. Morocco is also very keen to further develop and expand this industry to support their energy transition strategy

LOOKING FORWARD – WHAT ARE THE UPCOMING CATALYSTS FOR THE COMPANY?

Our primary focus is reaching first gas and generating revenues from our Transitional Gas assets. We look forward to our ongoing work and progress with our activities onshore and to drilling offshore in the near future with Energean and ONHYM. We will finalise our financing of the Transitional Power division which will in tandem progress our Strategic Review and our hydrogen projects will continue on their trajectories.

We believe that the key to success is to continue to adapt, collaborate, innovate and partner, as we have done consistently to date. We are proud of our entrepreneurial approach, which has enabled us to pursue new or previously overlooked assets and we will continue to look to pioneer and grow. We will always look for new opportunities that enhance the Chariot investment case. We believe we have a compelling and relevant story, we believe in our projects and will remain fully focused on realising their potential as we move forward.

THANK YOU

I would like to thank our shareholders for their ongoing support as we successfully raised c. US$19 million in June 2023. Both existing and new institutions participated, as did our retail investors via an oversubscribed open offer. As a Board and management team, we have continued to buy shares in the market, so remain very much aligned with our investor base and the long-term success of our Company.

I'd also like to thank all our partners, Ministries and teams that we work with in Morocco, Mauritania, South Africa, Zambia, Zimbabwe, Burkina Faso and Djibouti. Collectively we are making a real difference both now and for the future and I look forward to more to come. We need to also appreciate and give thanks to all the communities in which we operate for without their support we could not achieve anything. Thank you as always to the Chariot Board and our colleagues across each part of the business with whom it is an ongoing pleasure to work with.

ADONIS POUROULIS
Chief Executive Officer

10 June 2024

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CHIEF FINANCIAL OFFICER'S REVIEW

"We will continue to progress all areas of the Company but our primary objective as we focus on the gas business is to develop these material assets, generate cash flow and return cash to shareholders."

JULIAN MAURICE-WILLIAMS
Chief Financial Officer

FUNDING AND LIQUIDITY AS AT 31 DECEMBER 2023

The Group remains debt free and had a cash balance of US$6.0 million as at 31 December 2023 (31 December 2022: US$12.1 million).

During 2023, the Group invested c.US$23 million (31 December 2022: c.US$39 million) into the business through its exploration campaigns Offshore and Onshore Morocco, business development within the Transitional Power and Green Hydrogen businesses and administration activities.

The net proceeds of the US$19.1 million raised from the equity fundraising completed in August 2023 allowed the Group to plan its exploration campaign Onshore Morocco, continue to progress its Anchois development Offshore Morocco, as well as progress opportunities within the Transitional Power and Green Hydrogen businesses across the African continent.

As at 31 December 2023, US$1.05 million of the Group's cash balances were held as security against Moroccan licence work commitments. The increase from US$0.75 million as at 31 December 2022 was due to new bank guarantees relating to the new Onshore licence in Morocco.

FINANCIAL PERFORMANCE – YEAR ENDED 31 DECEMBER 2023

The Group's loss after tax for the year to 31 December 2023 was US$15.6 million, an increase of US$0.7 million on the US$14.9 million loss incurred for the year ended 31 December 2022. This equates to a loss per share of US$(0.02) compared to a loss per share of US$(0.02) in 2022.

The share-based payments charge of US$5.7 million for the year ended 31 December 2023 was US$1.5 million higher than the US$4.2 million in the previous year, mostly due to the granting of employee and Directors' deferred share awards in the current year, and the full year impact of awards granted to employees in 2022.

To provide further detail of total operating expenses, Green Hydrogen and other business development costs have been split out from other administrative expenses within the consolidated statement of comprehensive income.

Green Hydrogen and other business development costs of US $1.3 million (31 December 2022: US $1.7 million) comprise non-administrative expenses incurred in the Group's green hydrogen business development activities, the majority of which relate to Project Nour feasibility studies and related costs.

Other administrative expenses of US$8.7 million for the year ended 31 December 2023 are higher than the previous year's US$8.5 million due to employment costs from scaling up the team to progress the Anchois gas and Loukos developments, as well within the Transitional Power and Green Hydrogen teams.

Finance income of US$0.2 million (31 December 2022: US$0.1 million) relates to higher bank interest received on the cash balance over the period, as well as foreign exchange gains on non-Sterling currencies.

Total finance expenses of US$0.2 million (31 December 2022: US$0.6 million) include foreign exchange losses of US$0.2 million (31 December 2022: US$0.4 million). Foreign exchange expenses are lower than the prior period, reflecting the stabilising of foreign exchange rates on the holding of cash balances in Sterling. A US$0.1 million expense (31 December 2022: US$0.1 million expense) on the unwinding of the discount on the lease liability under IFRS 16 is also included in finance expenses.

A view of the Anchois Development Project landfall location.

The Stena Forth drillship; this will be the drillship used for the upcoming Anchois operations in August 2024.

EXPLORATION AND EVALUATION ASSETS AS AT 31 DECEMBER 2023

Following the signing of the Loukos Onshore licence in Morocco during the year, the carrying value of the Group's exploration and evaluation assets comprise US$61.8 million (31 December 2022: US$51.8 million) in relation to the existing Offshore Moroccan geographic area, and US$1.2 million in relation to the new Onshore licence.

Across the Offshore geographic area, a further US$10.0 million (31 December 2022: US$20.3 million) was invested in the asset comprising completion of the FEED phase of the Anchois gas development project, progression of the Anchois development ESIA, and geophysical and geotechnical site surveys onshore and offshore, to further define pipeline routing and landfall approach to bring the Anchois development towards FID.

Onshore investment to 31 December 2023 reflects the permitting and planning activity for the first drilling campaign of two wells.

OTHER ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023

The carrying value of goodwill of US$0.4 million at 31 December 2023 (31 December 2022: US$0.4 million) reflects the intellectual property, management team and customer relationships acquired through the business combination of AEMP in 2021. In 2022, three Memoranda of Understandings were announced for projects in the mining portfolio totalling over 500MW of power. These projects are large scale, early stage and are being progressed in partnership with Total Eren and a black economic empowerment ("BEE") partner on the Tharisa project, with minimal commitments in the near-term. No impairment of the goodwill was identified in the period from acquisition to 31 December 2023.

The fair value of the Group's investment in power projects relates to the 10% project equity holding in the Essakane solar project in Burkina Faso as acquired with AEMP and is valued at US$0.3 million (31 December 2022: US$0.4 million). The project, a joint investment with Total Eren, continues to generate power under a Power Purchase Agreement with IAMGOLD's Essakane mine.

During 2023, the Group completed its construction of a desalination plant, with US$0.6 million capitalised in property, plant and equipment, for the proof-of-concept water project in Djibouti, with commercial operations commencing and revenue generated from July 2023.

In 2023, wellheads and casing valued at a total of US$1.8 million (31 December 2022: US$1.4 million) were held in inventory relating to both the Anchois and Loukos drilling campaigns in Morocco.

As at 31 December 2023, 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$3.2 million (31 December 2022: US$5.4 million). The change is primarily due to significant activity on the Anchois front-end engineering design in December 2022 for which outstanding payables were due as at 31 December 2022. Note 2 details the Group's future funding plans.

Following the extension of the UK office lease term by a further three years in 2023, both the associated right-of-use asset and lease liability have been modified. Under IFRS 16, the Group has recognised a depreciating right-of-use asset of US$1.3 million (31 December 2022: US$0.3 million) and a corresponding lease liability based on discounted cashflows of US$1.3 million (31 December 2022: US$0.4 million).

OUTLOOK

We look forward to a safe and successful drilling campaign at Anchois East in Q3 2024 which the partnership hopes will upscale the development and lead to FID shortly thereafter, unlocking the further material cashflows from the Energean partnering transaction. As detailed in Note 2, our current liquidity highlights the need for funding across the business at an asset, subsidiary or Group level to ensure the Group is well capitalised to carry out its objectives.

We have continued to evolve as a business over the past year and I am proud of all the achievements as reported. As we moved forward, we will continue to progress all areas of the Company but our primary objective as we focus on the gas business is to develop these material assets, generate cashflow and return cash to shareholders.

JULIAN MAURICE-WILLIAMS
Chief Financial Officer

10 June 2024

REVIEW OF OPERATIONS

TRANSITIONAL GAS

"Chariot has expanded its footprint in Morocco, seeking to fulfil the growing needs of the country's industrial and power sectors with domestic gas. Our Anchois Development Project, which has now been validated through the new partnership with Energean, is focused on primarily serving Moroccan power needs, whilst our new Loukos Onshore licence benefits from lessons learned in our offshore success and our recent drilling campaign and presents the opportunity to rapidly deliver high-value gas to industry."

DUNCAN WALLACE
Technical Director

DEVELOPING A STRATEGIC ASSET BASE

Chariot in Morocco

OUR MOROCCAN FOOTPRINT

In recent years, Chariot has focused on value-driven gas projects, involving exploration and appraisal operations, combined with development planning and commercialisation activities.

Chariot owns a 30% and 37.5% non-operated working interest in the Lixus Offshore and Rissana Offshore licences respectively alongside our new partners Energean, who operate both blocks with a 45% and 37.5% working interest.

Chariot also owns and operates a 75% interest in the Loukos Onshore block.

The Moroccan state-owned Office National des Hydrocarbures et des Mines ("ONHYM") holds the remaining 25% working interest in all licences.

OFFSHORE

Since the award of the Lixus Offshore licence in 2019, Chariot has delivered a material increase in the resource potential of the Anchois gas field and defined a material prospect portfolio in the same play across the wider licence area. This growth has been delivered in previously overlooked acreage, utilising latest technology and interpretation methods to identify additional gas resources, combined with the ability to evaluate the prospectivity with a critical and open mindset.

The Anchois-2 appraisal and exploration well drilled by Chariot in 2022, increased the P50 (2C) discovered resources of the field by a factor of five versus the previous operator, largely through the discovery of five new gas bearing sands in a stacked accumulation. We have now matured the development plan for the Anchois field, which is expandable to capture material running room, a factor which helped Chariot to attract a new partner in Energean, an operator with a proven track record of executing similar offshore developments. The team are advancing together towards development sanction, the final details and confirmation of which will be determined by the Anchois-East well. This will be carried by Energean and is on track to start drilling in August 2024. This next campaign, which could include an optional second well, will mark an important step in the development plan in terms of the completion design, number of producer wells and production capacity of the field, with drilling success bringing the possibility of significantly higher rates than previously envisaged by Chariot.

The joint venture partnership will also be conducting additional exploration across the Rissana licence through a planned seismic acquisition campaign.

ONSHORE

Building on our successes offshore, Chariot identified significant prospectivity in the same overlooked play, this time in the onshore part of the same sedimentary basin. The Loukos Onshore licence offers an extensive exploration portfolio, optimally located to existing gas markets, and presents the opportunity to unlock a low-capex, high-value, rapid gas to industrial market solution.

The Loukos Onshore block was awarded in July 2023, complete with a rich, legacy dataset comprising 154km^2 of 3D seismic, acquired in 2011, and previous wells proving several gas discoveries and indications of gas bearing intervals from which the exploration potential could be rapidly assessed. There was also an extensive dataset of >900km of 2D line kms, which also reveals further prospectivity beyond the limits of the 3D seismic. Following early geological evaluation, our team identified a set of attractive drilling targets on the existing 3D seismic dataset and, post licence award, set to work to fast-track a drilling campaign. Through the combined diligent efforts of the entire team, Chariot was ultimately able to deliver drilling operations within ten months of the licence award.

We were delighted to announce the completion of the successful drilling campaign and a gas discovery from the drilling at the Dartois prospect at the end of May 2024. We now have a comprehensive dataset from the drilling of both wells and our team will integrate this with our recently reprocessed 3D seismic data to further define the resource potential of the Dartois area, confirm the future work programme and also analyse the impact on the wider prospectivity across the Loukos licence area.

We believe we are just scratching the surface with our exploration efforts to date. The coming year has key catalysts for growth through our ongoing analysis and testing planned on both the onshore licence and our offshore drilling campaign. We will also continue to leverage our long-established relationships in-country. In looking to develop important supplies of domestic gas, we hope to strengthen our future as a Moroccan gas producer and contribute to the Kingdom's ambitious energy strategy.

Chariot, crew and service companies meeting to discuss plans ahead of onshore drilling operations.

REVIEW OF OPERATIONS CONTINUED

DEVELOPING MOROCCO'S LARGEST DISCOVERY

The Lixus and Rissana are covered by an extensive dataset including multiple 3D seismic survey datasets and six previous wells, including the Anchois-1 and Anchois-2 discovery wells and a legacy well located in the south of the Rissana which provides evidence for an extensive, deep thermogenic petroleum system, in addition to the post-nappe play of Anchois field area.

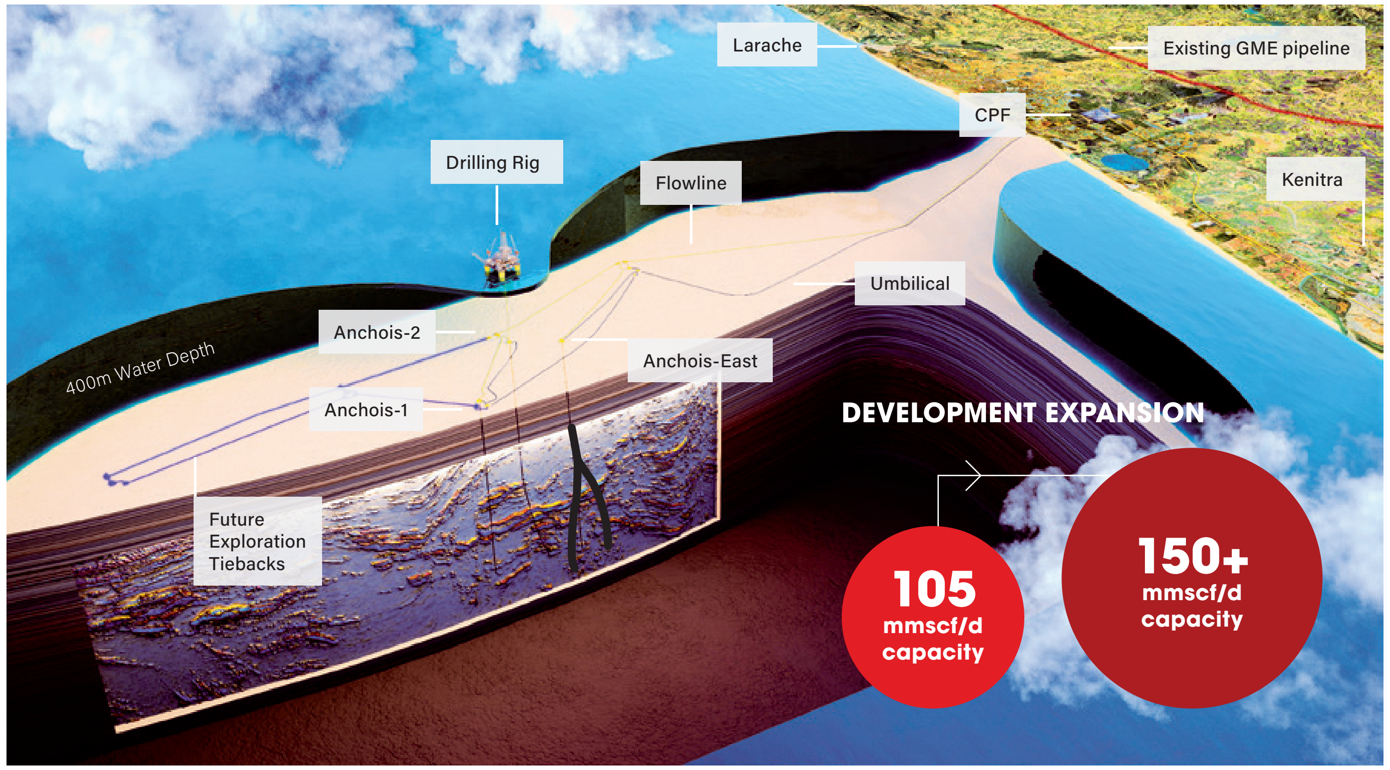
In December 2023, following an extensive farm-out process, Chariot announced a partnership with Energean, who also recognised the potential in our offshore portfolio. The transaction completed in April 2024, and with a rig contract with Stena Drilling for the Stena Forth drillship signed, the partnership will drill the Anchois-East well, with a subsequent well test planned in the main gas bearing sands.

In this well, we will drill two wellbores in one operation; a pilot hole will be drilled first, into the undrilled 'Footwall' fault block to the east of the main field area, and then the well will be side-tracked and the main borehole will be drilled to penetrate the 'Main' fault block in a location to the east of the previously drilled Anchois wells. The pilot hole targets exploration objectives in the M and O Sands of the footwall structure, potentially providing an additional 170 Bcf of recoverable gas to the current volumes from the O Sands alone. The main borehole will then appraise the discovered sands of the field, currently estimated at 637 Bcf (gross 2C resource), and also explore the deeper O Sand North Flank target, potentially providing a further 213 Bcf of 2U recoverable gas below the proven gas-down-to in the field. We aim to retain the well as a potential future producer location in the Anchois Development. An optional second well is also under consideration.

The subsea-to-shore development plan currently includes three initial producer wells, comprising the existing Anchois-2 well, the upcoming Anchois-East well and potentially the optional second well. This approach sees individual producer wells containing multi-zone completions to cost-effectively access the stacked gas sands at Anchois. Together with the utilisation of existing wells as producers, this reduces uncertainty and post-FID capex. Production testing of the Anchois-East well, in the Q3 2024 campaign, will also allow for further optimisation of the producer wells and completions as we gather important data on reservoir productivity.

With the potential to materially increase the gas resources through this drilling activity, the joint venture partnership sees the possibility for an expanded development plan, above the current 105 mmscfd CPF capacity. 2023 saw important progress in the planning for the Anchois development, including a key step forward through the approval of the development ESIA; this was announced in October 2023, following a 15 month process, and this approval included both local regulatory approvals and additional scopes of work to align with the likely requirements of lending institutions.

The Chariot and Energean joint venture technical teams are working closely together on delivering the Anchois project, including field development FEED updates and progressing gas commercialisation agreements. With long-term local gas contracts under negotiation, including anchor contract negotiations with ONEE, and associated fixed, long-term anticipated cashflows, we are refining the extensive work undertaken so far to look to reach FID as soon as possible.



OFFSHORE PROJECT PROGRESS

Lixus Licence (Energean, Operator 45%, Chariot 30%, ONHYM 25%)

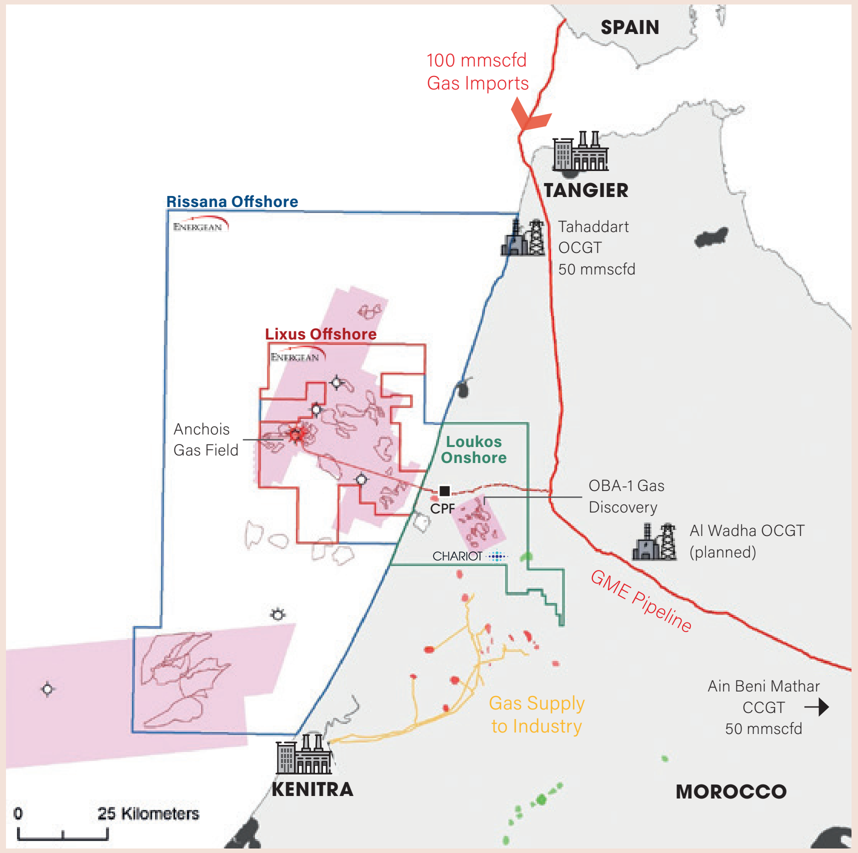
Rissana Licence (Energean, Operator 37.5%, Chariot 37.5%, ONHYM 25%)

The wider Lixus and surrounding Rissana licences contain significant additional prospectivity which provides opportunities for further near-field exploration activity around Anchois.

Following the upcoming drilling and testing campaign, we will be able to further refine our understanding of the distribution of gas-bearing reservoirs and provide further calibration of our geophysical models which are important to reduce the risk of exploration targets away from the main field. Our geological model currently shows extensive reservoir system associated with the A, B, C, M and O Sand intervals. The identified, low-risk targets in this system around Anchois are called the Anchois Satellite prospects, and these are within a 5-10km radius around the central field location; meaning that in the case of successful exploration these can be all tied back to, and be produced through, the Anchois infrastructure.

Expanding the focus beyond Anchois, future targets are abundant. Rissana's vast expanse captures a variety of plays, with multi-Tcf potential locked up in deeper exploration targets, such as the Mesozoic sub-nappe and fore-nappe plays, and the recently identified shallow Miocene Basin Floor Fan Play, which is anticipated to be a focus of future seismic acquisition.

CHARIOT PROJECT AREAS, NORTH WEST MOROCCO



As the work progresses on the regional onshore geology, we are also now integrating this to understand the impact on the linked offshore plays; as we know that the same sand systems moving through this onshore part of the basin feed the reservoirs offshore.

We are continuously updating and refining our understanding, using modern methods of seismic analysis to best represent reservoirs and new petrographic studies on key intervals which have demonstrated significant sand fairways throughout the Late Miocene. Onshore well data and studies are consistently helping to illuminate the under-explored areas of the offshore, which will be further resolved by the planned seismic acquisition campaign.

PARTNER PROFILE – ENERGEAN

Securing an experienced, proactive and committed partner, such as Energean, was seen as a key step in moving the Anchois Development forward in a way which could accelerate delivery of the value and inherent upsides in the project. Energean has taken operatorship of the offshore projects and the partnership is working together, benefiting from synergies of our combined expertise, to ensure a safe, timely and cost-efficient drilling campaign.

Energean is the perfect match for our offshore operations as they are aligned with our ambitions to focus on scalable growth projects. We can leverage their development experience and expertise at Anchois, whilst also maximising upsides within the wider Lixus and Rissana licences through the unique exploration insights and understandings of the Chariot subsurface team.

Together, we are aligned on the fundamental importance of domestic market supply to underpin new gas field development and how we can be part of ensuring security of supply, development of local industry and the decarbonisation of the energy mix. We also both recognise the potential of export markets to offer a rapid commercial outlet for surplus gas volumes which can offer significant value upside.

Energean FPSO.

REVIEW OF OPERATIONS CONTINUED

Loukos Onshore Licence (Chariot, Operator 75%, ONHYM, 25%)

EXPLORING ONSHORE

Through our extensive analysis and interpretation of the available dataset, and leveraging our knowledge from the offshore projects, the exploration team investigated and defined the first two drilling targets. The primary target of the first well, RZK-1, was a prospect called Gaufrette, located updip of the LNB-1 well which had discovered gas pay in the same interval downdip, and was supported by seismic anomalies. Approximately 8km north-east of RZK-1, the OBA-1 well location was also selected for the campaign, to target the Dartois prospect located along trend from a historic gas discovery in RJB-3, which tested gas from the same reservoir system.

Concurrent to this exploration activity, the drilling and logistics teams worked across the wide scope of preparation and planning required for the campaign. This planning effort involved securing of all necessary land permits, approval of the Environmental Impact Assessment ("EIA"), long lead items and drilling rig and services contracts. In anticipation of further drilling activity, the EIA approval we received in January 2024, from the Unified Regional Investment Committee, covers a total of 20 well operations across the block. This certificate is valid for a period of five years and gives us flexibility in any future campaigns.

SUCCESSFUL CAMPAIGN AND GAS DISCOVERY

As announced in May 2024, we successfully completed the two well campaign safely and efficiently, on time and on budget. The RZK-1 well was drilled to a depth of 961m through the Gaufrette Main target, which was found on prognosis and confirmed thick intervals of good quality reservoir, which exceeded pre-drill expectations. Multiple gas shows of various intensity were identified; however, the reservoirs of the main target were interpreted to be largely water bearing with evidence of residual gas. Whilst some thin gas pays were identified, the well was deemed sub-economic and was duly plugged and abandoned; however, we will take all of the learnings from this prospect and conduct a full post-well evaluation in order to apply our knowledge to more informed exploration of the block's wider prospectivity. We recognise that the well was supported by the presence of a very promising reservoir system and evidence for strong gas migration into the structure, which supports our exploration thesis for the block, however the well was likely unsuccessful due to a prospect-specific trap failure.

Following RZK-1, the rig moved immediately to the Dartois prospect to target a different reservoir system and trapping style, to drill the OBA-1 well. Here, we were very pleased to announce the gas discovery after successfully drilling to a depth of 901m, through target reservoirs using a slim-hole well construction. This was designed by the drilling team based on knowledge of drilling performance across the basin to look to drill this well with greatest efficiency. Further to comprehensive evaluation of the well data which included wireline logs, cuttings and gas data, preliminary interpretation confirmed the presence of reservoirs over an interval of approximately 200m with a gross interval of approximately 70m of primary interest. This interval of primary interest contains elevated resistivities coincident with elevated mud gas readings, indicating potential gas pays, with no water-bearing reservoirs identified. Further analysis will now be carried out on the subsurface dataset in preparation for well flow testing to together determine the well productivity and the gas resource potential of the discovery. The well was cased and cemented and suspended with a Christmas tree installed to allow for future rigless testing operations and potential use as a producer well.

ONSHORE EXPLORATION OUTLOOK

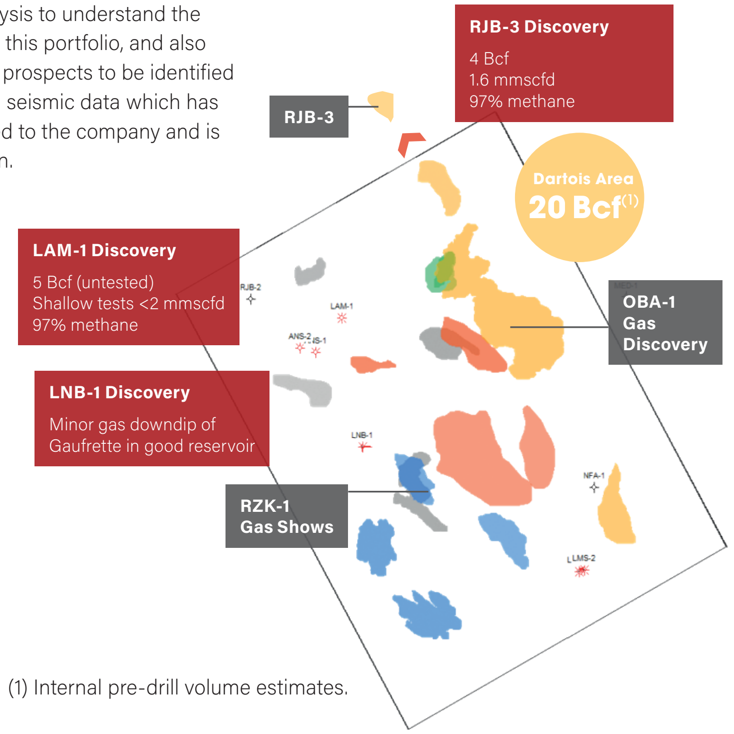
The pre-drill high-graded portfolio was estimated to hold approximately 100 Bcf P50 recoverable in the 3D area alone. Based on early drilling results, we have demonstrated the presence of the regionally expansive, good quality, Mid-Messinian reservoir sand system targeted by much of this portfolio. We will now carry out detailed petrophysical and geophysical data analysis to understand the impact of the wells on this portfolio, and also the potential for other prospects to be identified on newly reprocessed seismic data which has recently been delivered to the company and is ready for interpretation.

Work will focus on understanding prospect-specific trapping integrity and calibration of the seismic attributes. Both the recent well results and legacy wells provide strong evidence for gas migration across this basin which remains a low risk component of the petroleum system. This understanding is integral for the follow-on exploration of other high-graded targets, for example, Éclair. This prospect shares the same reservoir system, seismic attribute support and similar burial depths to the initial drilling targets and is one of the high-graded candidates for a future follow-up drilling campaign with associated estimated resources of 32 Bcf across the Éclair and adjacent Éclair West closures.

The team will continue to analyse the extensive, reprocessed 2D and 3D seismic datasets alongside new well data and, although still in progress, we are seeing a significant uplift in imaging quality across the portfolio in the early products.

As we progress with analysis of the drilling results to fully understand the implications for the surrounding on-block prospectivity, we continue to look to unlock and develop this overlooked gas province in the heart of the Moroccan Kingdom.

DUNCAN WALLACE
Technical Director
10 June 2024



(1) Internal pre-drill volume estimates.

THE MOROCCAN GAS MARKET AND COMMERCIALISATION OPPORTUNITIES

Morocco hosts a scalable domestic market with growing industrial hubs in need of a steady supply of lower carbon, competitive energy and these market fundamentals are underpinned by excellent fiscal terms in country. There is currently a heavy reliance on imports and coal power generation and Chariot is dedicated to being part of the national transitional energy goals that will see Morocco be less reliant and eventually move away from these imported carbon intensive fuel sources.

Chariot is in a unique position to meet Moroccan domestic gas needs across many sectors including power and industry. We have established key agreements in efforts to support this, including key Gas Sales Principles with the state national utility ONEE, pipeline tie-in agreements with infrastructure owners and project partners, ONHYM and a gas-to-industry partnership with Vivo Energy.

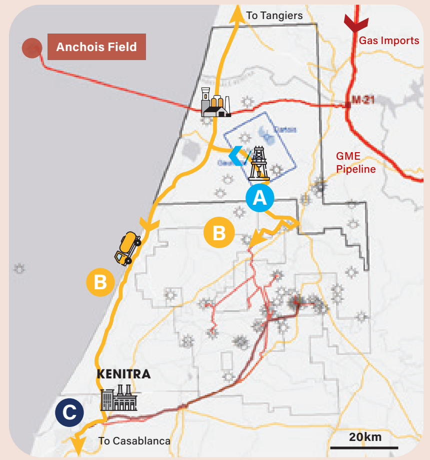
Natural gas from Chariot's acreage would be delivered via a variety of potential solutions, a key advantage of the existing infrastructure. Offshore, for example, the more substantial volumes of Anchois gas are planned to be commercialised primarily through a fixed connection to the existing GME pipeline which directly connects to domestic power generation hubs as well as industrial hubs via future pipeline infrastructure and European markets.

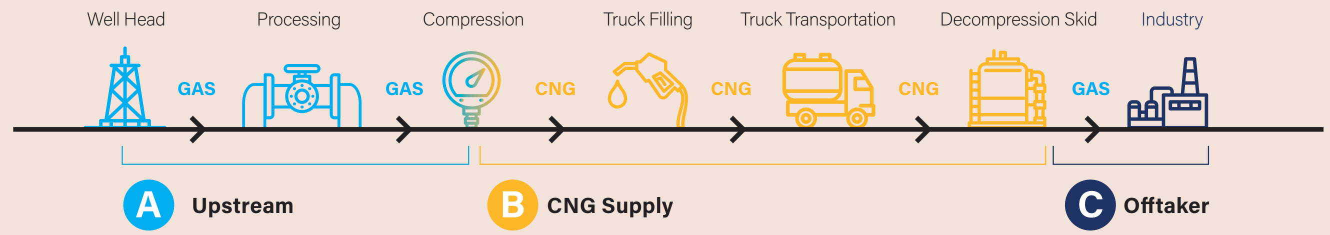
This interconnection with Europe via Spain means that future export sales of surplus volumes could be explored once the domestic needs have been satisfied. Multiple offtakers in Europe are interested in receiving the gas where both demand and a desire to diversify supply source has increased due to macro events of recent years.

In terms of onshore, the Loukos licence is perfectly located to supply to the Kenitra industrial zone, a large manufacturing area with in excess of 10 mmscfd of existing possible natural gas demand that is currently under supplied. This is only c.90km from Loukos and has a direct route to market either through the existing pipeline network in the southern part of the Gharb basin or a virtual pipeline solution. A virtual pipeline is the direct distribution of compressed natural gas ("CNG") to customers by truck and this solution offers the most immediate, modular and low-cost option to commercialise early production. This is the first likely route that Chariot will initiate to get the gas to industry and it will also serve as an important catalyst for future pipeline development and further growth.

Alongside our partner ONHYM we see a great opportunity to develop onshore gas in a lower cost, simple operating environment which would complement a future subsea-to-shore development. Commercialisation options are infinitely scalable over the longer term to meet Morocco's growing gas needs as a priority, with the potential to rapidly commercialise surplus gas in the European markets.

PIERRE RAILLARD,
Morocco Country Director and
Head of Gas Business





Star Valley Rig 101 captured at night during operation.

REVIEW OF OPERATIONS CONTINUED

TRANSITIONAL POWER

> By investing in the development of renewable energy projects and facilitating access to cleaner energy for commercial and industrial customers through Etana Energy, Chariot is helping the expansion of South Africa's energy generation mix and help its clients to decrease their carbon footprint. This business is highly scalable, driven by tangible demand, and we will continue to build on this exciting growth platform going forward.

BENOIT GARRIVIER
Transitional Power CEO

DEVELOPING LARGE RENEWABLE ENERGY PROJECTS IN AFRICA

Transitional Power Overview

Chariot Transitional Power is focused on providing competitive, sustainable and reliable energy and water solutions across the African continent through developing, financing, building and operating power generation and water assets.

Over the past year, we continued to progress our renewable projects that we are developing for Tharisa, First Quantum Minerals and Karo Mining, as well as continuing the solar operations at IAMGOLD's Essakane Mine in Burkina Faso.

We have also broadened our exposure to the electricity market in South Africa through increasing our stake in Etana Energy and are securing long-term offtake agreements with a diversified portfolio of customers.

As announced in March 2024, having received a range of interest from South Africa focused investors, Chariot is undertaking a Strategic Review of the Transitional Power business to look to explore the funding options available.

This review may involve a full or partial sale or demerger with the aim of enabling ongoing growth and development of the portfolio and maximising value for all stakeholders.

SOLAR AND WIND SOLUTIONS FOR MINING PROJECTS

Through the renewable energy projects that we are developing in conjunction with our clients and partner TotalEnergies, we are establishing a secure and direct energy supply to their mining operations, reducing reliance on heavy fuel, and in turn lowering their carbon footprints.

ESSAKANE: BURKINA FASO: SOLAR POWER PRODUCTION

IAMGOLD CORPORATION

Chariot's first renewable power project, supplying the Essakane Gold Mine in Burkina Faso with 15MW of solar energy, is now in its fifth year of operation. On commissioning in 2018, the project was the largest hybrid photovoltaic ("PV") – heavy fuel oil ("HFO") power plant in the world and one of the largest solar facilities in sub-Saharan Africa with 130,000 solar panels. Chariot holds 10% equity in this award-winning project, with TotalEnergies holding the remaining 90%.

Year-on-year the mine has reduced its fuel consumption by an estimated 6 million litres, representing 18,500 tonnes CO_2e annually. 100% of permanent Essakane project staff are nationals, while 1% of project revenues are dedicated to community investment. Carbon credits are also registered with the UN to raise funds for community developments.

FIRST QUANTUM MINERALS: ZAMBIA: WIND AND SOLAR POWER PROJECT

FIRST QUANTUM MINERALS LTD

Alongside TotalEnergies, Chariot is progressing the development of 430MW of combined wind and solar power to look to expand Zambia's existing renewable energy capacity and provide First Quantum Minerals with competitive and sustainable power for its Zambian mining operations.

Once completed, the combined project will be one of the largest renewable energy projects in Zambia and a flagship project in the Southern Africa region.

The split of power will be 230MW solar PV + 200MW wind, and the requisite permitting and planning is underway. Further updates will follow as this progresses towards Final Investment Decision.

THARISA: SOUTH AFRICA: SOLAR POWER PROJECT

tharisa

In partnership with Tharisa and TotalEnergies, Chariot is developing the 40MW solar PV Buffelspoort project which will supply electricity to Tharisa's chrome and platinum group metals mine in the North West province of South Africa. Project development and permitting continues to move forward with financial close now expected in Q4 2024.

The plant, to be built on Tharisa's property and connected behind the meter, will contribute to the company's goals to become carbon neutral in 2050 as it will reduce the project's dependence on coal-fired power from 100% to 69% as well as creating around 200 local jobs during the construction period.

KARO PLATINUM: ZIMBABWE: SOLAR POWER PROJECT

KARO mining holdings

In Zimbabwe, Chariot is working on the development of a 30MW solar plant, to supply competitive electricity on site at Karo's platinum mine in Zimbabwe. Construction of the mine has commenced but the timeline for delivery has slowed down further due to a review of the PGM price environment. This has delayed the implementation of the solar plant but permitting of the project continues to progress and further updates will follow as this moves towards Final Investment Decision.

With Tharisa as a 75% shareholder in Karo, this project is also linked to their carbon emission reduction targets.

REVIEW OF OPERATIONS CONTINUED

ELECTRICITY TRADING LICENCE

As announced in December 2023 and completed in January 2024, Chariot now owns 49% in the South African electricity trading platform, Etana Energy (Pty) Limited ('Etana'), alongside partners H1 Holdings (Pty) Limited which holds 51%. H1 is a black-owned and managed company based in South Africa, which has a proven track record in developing and investing in large renewable projects.

Etana is one of five companies to hold an electricity trading licence granted by the National Energy Regulator of South Africa. Its objective is to provide competitive and sustainable end-to-end electricity solutions through connecting new and existing energy generation projects to commercial and industrial users. Major deregulation changes currently taking place in South Africa's electricity market provides licence holders the opportunity to trade to a range of high-volume offtakers as well as the opportunity to participate in new renewable energy generation projects.

MARKET OPPORTUNITY

South Africa is the largest electricity market in sub-Saharan Africa. It is predominantly supplied by coal-fired power generation and as a result, around 80% of greenhouse gas emissions come from the energy sector. There is a major lack of supply however as insufficient electricity is generated, and power outages have significant macroeconomic impacts. Investec estimates that there was a cost of around ZAR300 billion to the South African economy due to downtime in 2022 and this issue has compounded further over the past twelve months, with just 50% of power availability recorded in December 2023.

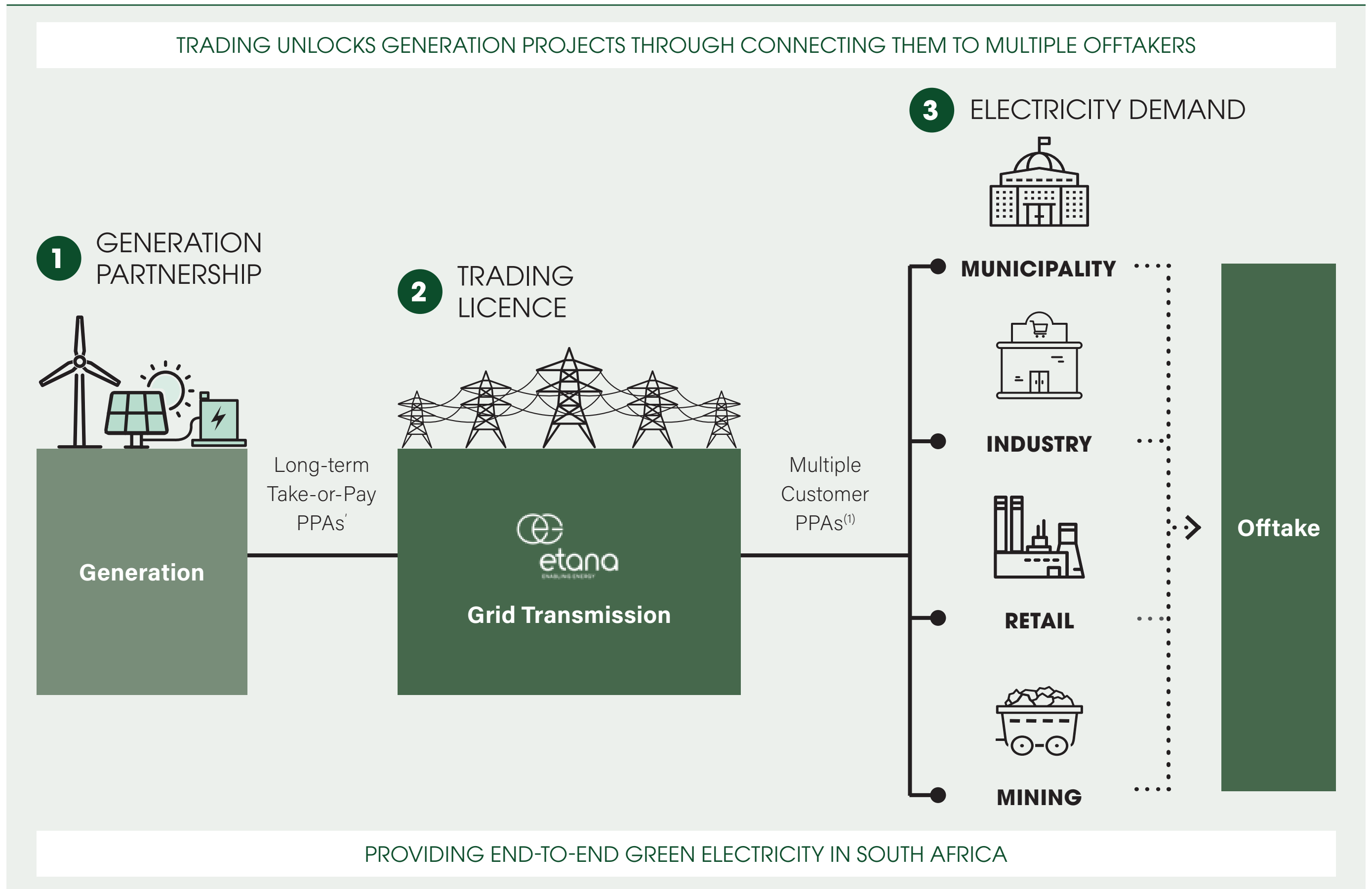
These two fundamental issues underpin the rationale for the rapid market deregulation that is now taking place, enabling private sector renewable power generation and opening up trade through the national grid. The SA National Energy plan has forecast the needs for an additional 30GW of renewable energy to be procured by 2030, with the first 4GW to be added into the grid by the end of 2024. Etana's trading license, coupled with Chariot's business network and development track record, means it is extremely well positioned to play a material role within this high growth, high demand sector.

THE ETANA BUSINESS MODEL:

There is significant market demand for green and competitively priced electricity and multiple commercial and industrial offtakers have already been secured across mining, industry, municipal and retail sectors. Etana's model is already working, as evidenced by the first wheeling of renewable energy through Cape Town's grid announced in September 2023. Wheeling is a process where electricity is bought and sold between private parties, using the existing grid to transport power from the point of generation to end users.

On the generation side, 400MW of gross wind generation capacity has been identified and is in negotiation with Etana. The trading platform enables Chariot's participation in these large renewable projects, and there is a strong focus on securing a future pipeline of large generation projects.

THE ETANA BUSINESS MODEL



(1) PPA: Power Purchase Agreement.

LONG-TERM AGREEMENTS SIGNED WITH GROWTHPOINT PROPERTIES, AUTOCAST AND PETRA DIAMONDS

- As announced in February 2024, Etana will supply Growthpoint, the largest South African Real Estate Investment Trust company, with 195GWh of renewable energy per year – 32% of their current annual consumption across their commercial properties located around South Africa
- This will be a mix of wind, solar and hydroelectric power and is the first multi-jurisdiction, multi-building, multi-source renewable energy wheeling arrangement
- This agreement has also enabled Growthpoint to secure the rights to purchase 30GWh per annum of 24/7 baseload hydropower
- Autocast, a leading supplier of cast and machined components to the automotive, mining and engineering industries, selected Etana as its renewable energy supplier in April 2024
- Autocast is part of a cluster of the high energy users in the Nelson Mandela Bay area together (about 30 members) which has selected Etana to find a common solution to procure clean power
- The agreement signed with Petra Diamonds will wheel renewable energy to their Cullinan and Finsch diamond mines, supplying between 36-72% of the expected power requirements from 2026 onwards

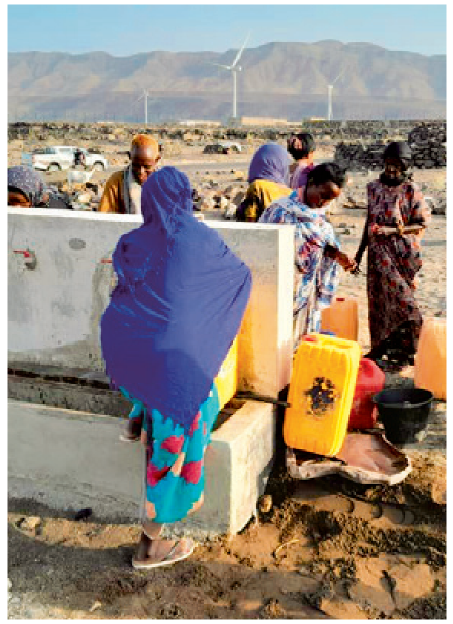
RENEWABLE WATER PRODUCTION BUSINESS:

Our water business is focused on delivering clean water solutions on the African continent using renewable energy. The process utilises a modular, scalable, reverse osmosis technology that can be powered 100% by solar energy to produce desalinated water. Our objective is to originate, invest in and own decentralised water supply projects that can provide affordable water access for private offtakers and municipalities through long-term agreements.

Our first test project, the Ghoubet water project, which is affiliated to the largest wind farm in Djibouti, was commissioned in June 2023 and is running well.

This project is providing 50 m^3 potable water per day to local communities, around 1,000 people, over the next 20 years and the team is looking at further opportunities across the continent.

This business complements both our Transitional Power and Green Hydrogen pillars and has a natural overlap with our current network and portfolio. The business model strategically sits within the Power business as it follows the renewable project model with long-term offtake, but access to desalinated water is a key part of the green hydrogen production cycle.



REVIEW OF OPERATIONS CONTINUED

GREEN HYDROGEN

> "The recently completed Feasibility Study further reinforces how important Project Nour stands to be within the context of the future green hydrogen market. Nour's size and scale has the potential to have a material impact, both as a domestic and export producer, and we are proud to have set the development along this path."

LAURENT COCHE
Green Hydrogen CEO

NEAR-TERM PRODUCTION, LONG-TERM SCALABILITY

Green Hydrogen Overview

Our objective with our green hydrogen pillar is to build a world class portfolio of projects that have a mix of near-term production opportunities balanced with long-term scope and scale.

OUR STRATEGY AND FOCUS

Project Nour, our giga-scale project based in Mauritania, remains the cornerstone asset in our portfolio, but our strategy has evolved over the past year as we have adopted a deliberate phasing approach to look to establish earlier production on a commercial basis. Our overarching aim is to become a significant green hydrogen producer and Nour has the potential to be one of the largest, lowest cost assets in Africa but there are key elements that we are focused on as we look to reduce risk and deliver projects:

Partnering and Offtake. Working alongside experts and world-class partners is fundamental, as through this we co-invest, secure offtake, collaborate and ultimately deliver bankable projects. Our strategic partnership with TEH2 (a dedicated green hydrogen developer, owned 80% by TotalEnergies and 20% by Eren Group) has been excellent in the development of Project Nour to date and it is a pleasure to work with UM6P and Oort Energy, the Governments in Mauritania and Morocco and other key industrial players in the sector.

Portfolio. We aim to build out our asset base to diversify risk over various projects and countries but also benefit from the economies of scale and shared learning in working with different partners in different industries. We have a strict criteria that we work within around project selection, with a focus on resource availability and long-term offtake opportunities, as well as a host country's approach to development in the sector and its legal and regulatory framework.

Near-Term production. We are looking to deliver a series of technical proof-of-concept projects to progress early commercial phases and generate early revenues with domestic offtake as initial priority. These projects will allow us to showcase delivery and importantly lay the basis to scale up, increase production and develop export options over the longer term.

Access to Technology. Having access to technologies critical to the green hydrogen production cycle is also important in future proofing development plans. Having early-stage partnerships in place helps secure access to important elements of the supply chain, builds expertise within teams and importantly helps leverage participation in new ventures.

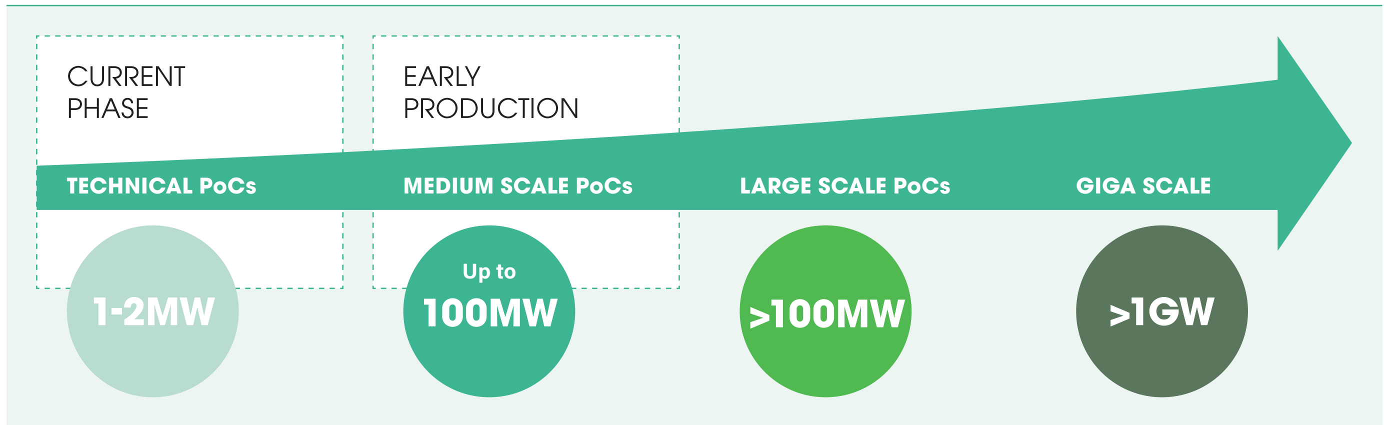
We maintain our conviction that green hydrogen will be one of the most important components of the future energy mix and look forward to developing our role in this. We also continue to pursue various sources of financing for this pillar of the business at the subsidiary level.

MARKET DEMAND

Green hydrogen, created by splitting water into hydrogen and oxygen using renewable energy, has a material role to play in reaching net zero climate targets. Currently, around 95% of hydrogen is produced using fossil fuels so there will be a significant transition across this sector and demand will continue to grow as the energy mix changes. IRENA states that to achieve the 2050 target, the supply of hydrogen overall will need to expand more than five-fold, to more than 500 MT/y, if it is to serve a broader range of uses and decarbonise carbon-intensive sectors. There are a range of hard-to-abate sectors which currently utilise a substantial proportion of grey hydrogen but an emphasis is being placed on three key industries – steel making, fertiliser production and transportation fuel (including aviation); all of which Chariot is looking to address within the projects we are working on.

Key demand centres will be looking to import competitive green hydrogen and the EU will likely need to import about half of the estimated 60 million tonnes of decarbonised hydrogen and derivatives required by 2050. Hydrogen is a key building block in Europe's climate targets and these factors were both underlined by the visit by the European Commission to Mauritania in early February 2024. They publicly reaffirmed their commitment to the sector, its importance within Europe and have selected Mauritania as a key partner in the EU's Global Gateway initiative with regard to future hydrogen export and green steel production.

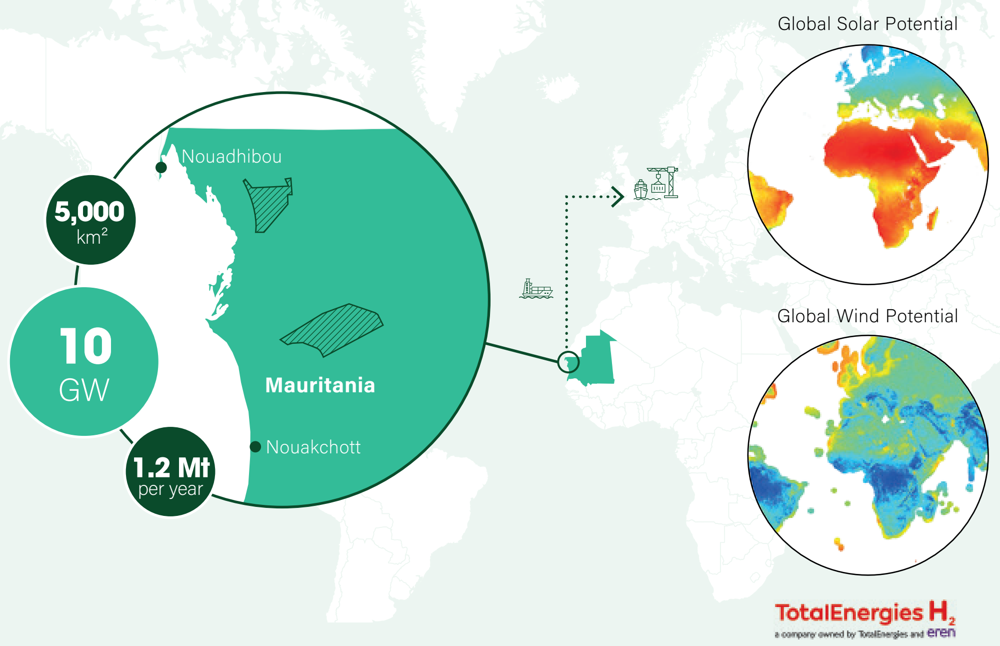
DELIBERATE PHASING DE-RISKS PROJECTS



REVIEW OF OPERATIONS CONTINUED

PROJECT NOUR:

- World-class complementary solar and wind resources and extensive available land
- Some of the most competitive H_2 production costs in the world
- Area close to Nouadhibou International Port providing key export links to Europe
- Strong synergies with local ore mining sector to support the creation of a green steel industry
- Feasibility Study complete
- Partnered with TEH2 to co-develop project



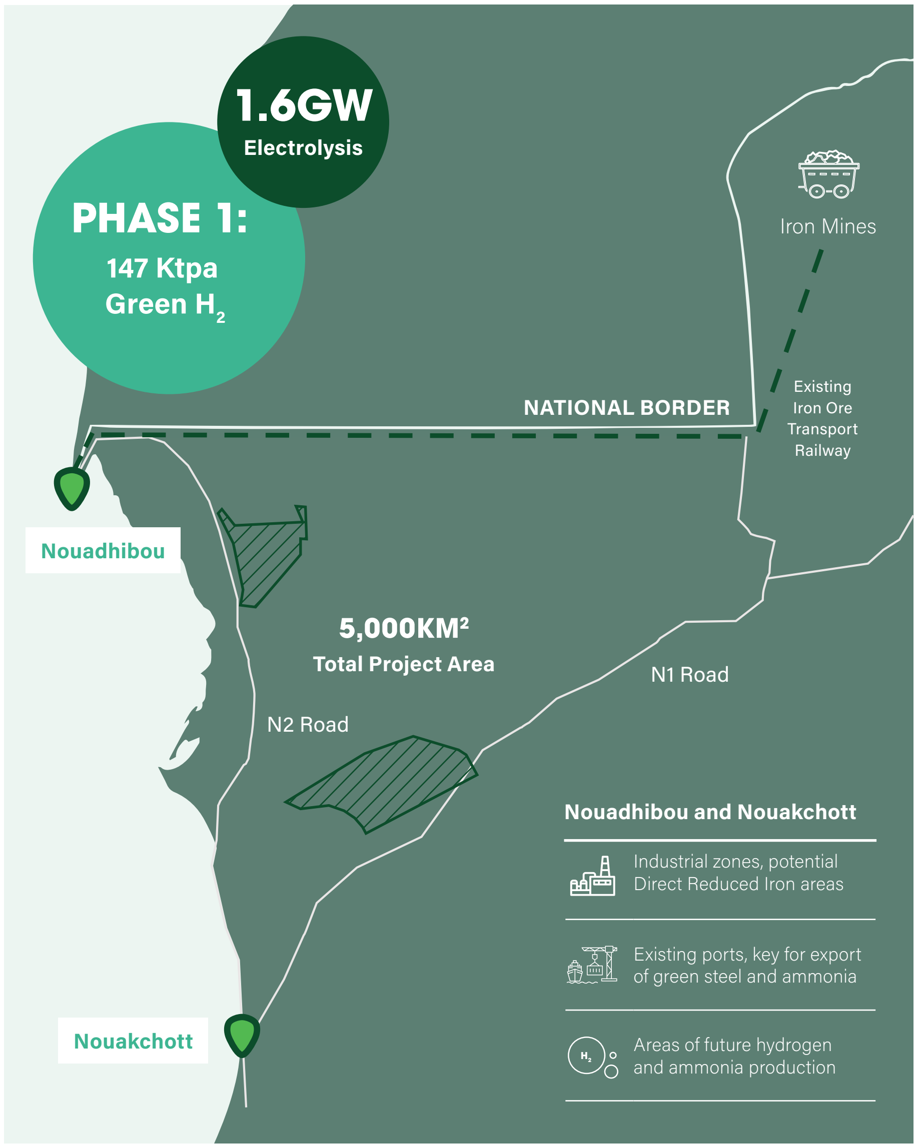
Project Nour spans two onshore areas, totalling approximately 5,000km² across Northern Mauritania. With up to 10GW of electrolysis to be installed, it could become, once implemented at scale, one of the most significant green hydrogen projects in Africa, producing 1.2 Mtpa of green hydrogen.

We recently completed the Feasibility Study, conducted in compliance with Equator Principles and IFC Performance Standards, which further confirmed the scale and viability of the project and outlined a phased pathway for domestic offtake and export development.

Nour will be developed in multiple phases with the initial phase seeking to install 1.6GW of electrolysis and initial development designs are focused on domestic use for green steel production and export of green ammonia.

Sustainable economic development is embedded within the project planning with local content aimed at maximising employment and business opportunities in Mauritania. In parallel, discussions are ongoing with the local iron ore mining sector to establish a green steel industry in the country. Next steps include completion of the investment framework, engineering conceptual study and offtake negotiations.

We have been working alongside TEH2 and TotalEnergies' in-house Power-2-X engineering unit, 'OneTech' on the technical side of the project. The OneTech, team consists of highly experienced engineers and their specialist teams (solar, wind, hybrid and green hydrogen) are widely recognised by peers and partners. They have been instrumental in delivering the Feasibility Study for Nour, and their expertise shared from other large-scale projects that they are working on in other parts of the world is invaluable.



CASE STUDY: DECARBONISING THE SNIM IRON ORE TRAIN IN MAURITANIA

At COP28 in December 2023, Chariot signed an agreement, along with partners TEH2 and Société Nationale Industrielle et Minière ("SNIM"), Mauritania's national iron ore mining company, to undertake a scoping study to look at the country's first green hydrogen pilot aimed at decarbonising the SNIM iron ore train using green hydrogen technology.

- SNIM is Africa's second largest iron ore producer and the study will focus on SNIM's train transport operations from the Zouerat iron ore mine to Nouadhibou port which run on imported diesel fuel
- The concept is to produce green hydrogen as a substitute power source via fuel cells mounted on carriages of each train – which can be up to 3km long
- The scoping study will look to utilise existing wind resources to generate green hydrogen and adapt this into a power source for the locomotives
- Overall objective is to materially reduce the carbon emissions in local iron ore mining industry and showcase the value of green hydrogen in production and application, helping to put Mauritania on the map

PROOF-OF-CONCEPT PROJECTS

In September 2023, we extended our collaboration with UM6P and Oort Energy in conducting electrolyser pilot projects in Morocco. The partnership is developing a technical proof-of-concept project at OCP's Jorf Lasfar industrial complex which will use a 1MW polymer electrolyte membrane ("PEM") electrolyser system, patented by Oort.

This will both test the capacity of the electrolyser in an industrial setting, develop education and skills whilst also evaluate the feasibility of larger scale green hydrogen and ammonia production in-country.

ONGOING COLLABORATION, COMMITMENT AND COST REDUCTION

There are still challenges in development timeframes and scale of investment needed but Chariot welcomes ongoing implementation of initiatives that are driving co-operation and alignment. The improvements in legal and regulatory frameworks, as well as national and EU commitments focused on encouraging investment and development, all point to future success.

The Government of Mauritania in particular has made great strides in creating a favourable environment for developers. It has drafted a comprehensive hydrogen code – very similar to a mining code – that would grant 35-year operating licences and includes a wide range of incentives and tax breaks to boost investment in the hydrogen sector. The draft legislation is expected to be promulgated by the end of 2024 and further highlights the government's commitment to becoming a major green hydrogen producer.

The Africa Green Hydrogen Alliance – in which both Mauritania and Morocco are partners – is amongst those paving the way in this regard, fostering collaboration across governments, the private sector, financing institutions and society to look to establish long-term stability. Importantly, the cost of production is expected to decline significantly towards 2030, driven mainly by technology advancements, cheaper renewables and manufacturing economies of scale.

ESG

Goals/high-level strategy

Drive development of cleaner energy

Create multiple, impactful transitional energy projects across Africa via our Transitional Gas, Transitional Power and Green Hydrogen business streams

Mitigate negative environmental impacts

Identify, evaluate and manage environmental aspects and associated risks applying a precautionary approach using best available techniques without compromising safety

Promote economic benefits for local communities

Engage with local communities, their representatives and other stakeholders to support projects and initiatives that benefit the communities and countries in which we operate

Ensure integrity in working with assets and accessing resources

Promote efficiency in our use of energy and water with the aim of conserving natural resources and use leverage and influence to promote high standards or environmental management

Uphold occupational health and safety standards

Ensure so far as is reasonably practical a safe, healthy and secure working environment, to protect employees and others from harm

Promote biodiversity and environmental stewardship

Reduce ecological impacts through avoidance and mitigation and actively work to minimise greenhouse gas emissions and the carbon intensity of our projects

Uphold strong corporate governance

Comply with applicable social laws, regulations and good international industry practices and avoid causing or contributing to human rights impacts

Support equality, fairness and local opportunities

Work with all interested parties to enhance the social and economic benefits of our projects to local communities and host countries by maximising the recourse to local employment and local supplies of goods and services

OUR COMMITMENT TO SUSTAINABLE OPERATIONS

Robust management of environmental, social and governance ("ESG") concerns are at the core of what we do and how we work. Chariot seeks to embed a responsible approach to ESG management throughout the business.

In line with industry best practice, Chariot uses the IFC Performance Standards, Equator Principles and the United Nations Sustainable Development Goals as benchmarks and guiding principles. We also comply with applicable environmental laws, regulations and standards of the countries in which we are present.

We acknowledge the potential ESG impacts that our activities may have as we develop our projects. Our team is committed to proactively identifying and assessing issues that are important to our business and to our stakeholders. We manage these and their associated risks and seek to minimise the impacts of our activities as far as possible by putting robust frameworks and policies in place.

Anchois ESIA and Loukos EIA approvals

In October 2023, Chariot received approval of the Anchois gas development project's Environmental and Social Impact Assessment from the Moroccan Ministry of Energy Transition and Sustainable Development. This process was conducted over a 12-month period and included detailed onshore and offshore environmental baseline studies, a social baseline survey and a wide-ranging stakeholder engagement process. The resulting management plan sets out mitigation and monitoring measures which will be implemented during construction and production. In line with the most recent iteration of the Equator Principles, Chariot also commissioned a Climate Change Risk Assessment and Human Rights considerations were embedded in the main ESIA.

The Environmental Impact Assessment approval was also received for drilling activity on Loukos Onshore in January 2024. This covers a total of 20 wells, is valid for five years and will also inform Chariot's activities here going forward.

Environmental Authorisation, Buffelspoort, Tharisa

Equally good progress was made by the Transitional Power team on permitting the Tharisa solar project in Buffelspoort, South Africa. In May 2023, the Environmental Authorisation was issued, along with the required water license, National Forest license and alien species ("NEMBA") license.

Local content programme for Project Nour

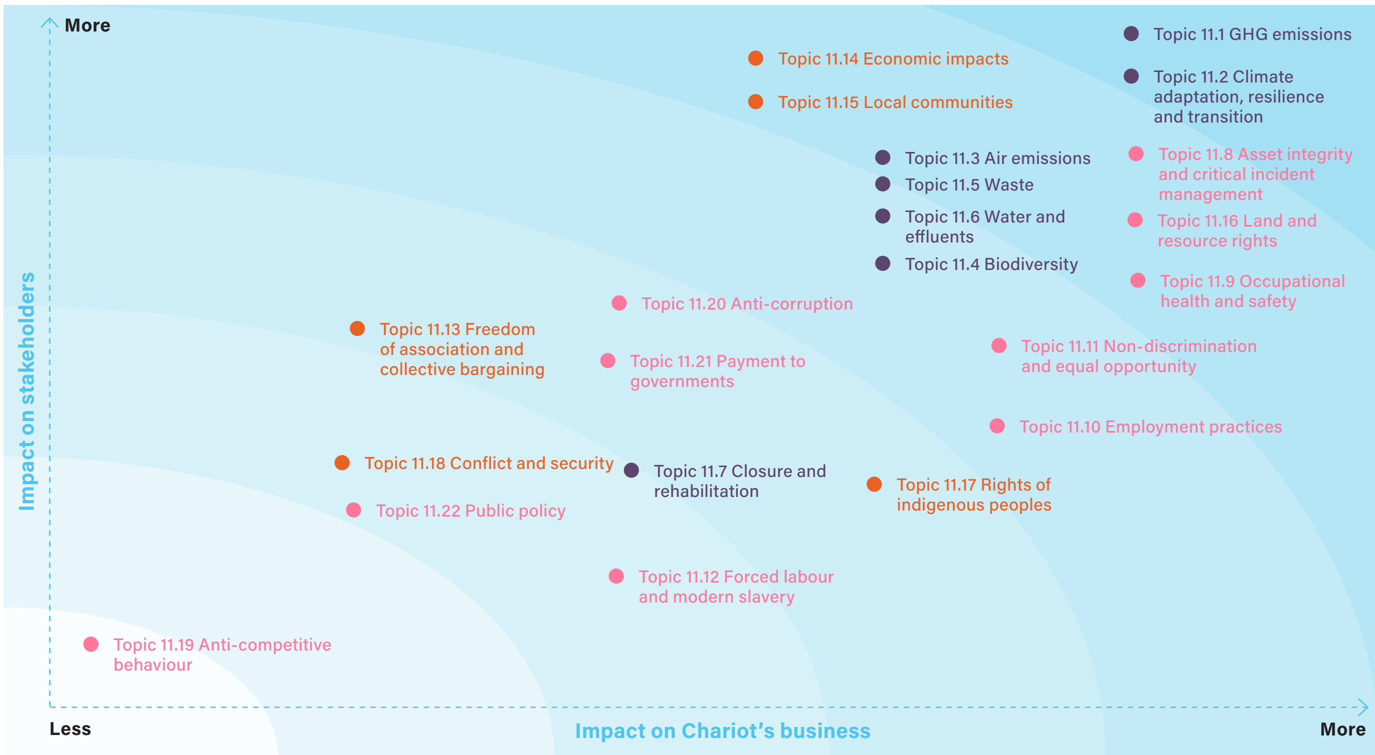
As part of Project Nour's Feasibility Study, a comprehensive local content programme was developed in 2023. This includes proposals to expand Mauritania higher education and technical training capabilities, to localise as many jobs as possible. The team also led consultations with 50 local entrepreneurs regarding the work packages which they may be able to execute, especially during construction. Seventeen key areas were identified in this context, from precast concrete panel manufacturing to insulation, from scaffolding to valve inspections and repairs, along with the requirements of each in terms of additional investment, training and certification. The study has been shared with the Mauritanian authorities and its technical and financial partners with a view to securing support for its implementation.

MATERIALITY ASSESSMENT

Our Materiality Assessment is compiled in line with the Global Reporting Initiative ("GRI") framework and linked to the Sustainable Development Goals which will guide project development and implementation in the future.

The matrix opposite illustrates the relative weight conferred upon each of these issues set out in GRI and will provide a basis which we will review and report on going forward.

MATERIALITY MATRIX



ESG CONTINUED

Focus on Reducing Emissions

Considering the transitional nature of Chariot's energy projects, each is expected to deliver carbon emissions reductions in their host countries:

- Morocco's energy needs are heavily dependent on coal (which currently makes up c.70% of the country's requirements) and gas imports. The domestic gas from Chariot's Anchois project has the potential to directly supply into the national grid and become an important contributor in rebalancing the country's energy mix and reducing emissions going forward.
- Chariot's renewable power projects are bespoke solutions for mining companies, often sited in locations well away from power grids. Accessing wind and solar power for use directly on the mine sites removes the dependence on and need for transportation of carbon heavy fuel and provides a renewable, long-term energy supply. Wheeling renewable power through the South African national grid through Etana will also notably reduce the reliance on coal-fired power stations, opening up a wider customer base including municipalities, industrial and retail sectors.
- Green hydrogen also has the potential to supplement and replace traditional fossil fuels in both power generation and hard-to-abate industrial processes, leading to a significant reduction in associated emissions of greenhouse gases. It also has the potential to stimulate the development of greener primary industry (such as green ammonia and green steel production) and could lead to significant, positive long-term impacts for Mauritania as well as the entire global energy transition.

Chariot is committed to maintaining and regularly reviewing its ESG policies. Please visit **https://chariotenergygroup.com/responsibility/** for full details.

TWO OF THE UN SDGS ARE PARTICULARLY RELEVANT TO EACH OF OUR BUSINESS PILLARS AND UNDERPIN OUR STRATEGY AND OUR VALUES:

SDG	Goal	Targets
7 AFFORDABLE AND CLEAN ENERGY	**ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE MODERN ENERGY FOR ALL –** specifically around increasing the share of renewable energy in the global energy mix, improving energy efficiency and advanced and cleaner fossil-fuel technology...expansion of infrastructure and upgrade technology for supplying modern and sustainable energy services for developing countries.	**Target 7.1** | Universal Access to Modern Energy **Target 7.3** | Increase Global Percentage of Renewable Energy **Target 7.5** | Expand and Upgrade Energy Services for Developing Countries
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION –** raise industry's share of employment and gross domestic product, in line with national circumstances...upgrade infrastructure and retrofit industries to make them sustainable with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industry.	**Target 9.4** | Upgrade all Industries an Infrastructure for Sustainability **Target 9.6** | Facilitate Sustainable Infrastructure Development for Developing Countries **Target 9.7** | Support Domestic Technology Development and Industrial Diversification

ALIGNMENT TO THE SDGS

Based on the updated Materiality Assessment and key goals, Chariot's alignment to the UN SDGs have been reviewed accordingly, with key targets for each one selected as below. This will also guide the reporting framework going forward.

UN SDGs	TARGETS
13 CLIMATE ACTION	**Target 13.5** | Promote Mechanisms to Raise Capacity for Planning and Management **Target 13.4** | Implement the UN Framework Convention on Climate Change
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.5** | Substantially Reduce Waste Generation **Target 12.4** | Responsible Management of Waste and Chemicals **Target 12.2** | Sustainable Management and Use of Natural Resources
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5** | Substantially Reduce Corruption and Bribery **Target 16.6** | Develop Effective Accountable and Transparent Institutions
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.8** | Protect Labour Rights and Promote Safe Working Environments **Target 8.2** | Diversify, Innovate and Upgrade for Economic Prosperity **Target 8.4** | Improve Resource Efficiency in Consumption and Production
17 PARTNERSHIPS FOR THE GOALS	**Target 17.5** | Invest in Least Developed Countries **Target 17.9** | Enhance SDG Capacity in Developing Countries **Target 17.6** | Enhance the Global Partnership for Sustainable Development **Target 17.H** | Encourage Effective Partnerships

UN SDGs	TARGETS
6 CLEAN WATER AND SANITATION	**Target 6.1** | Safe and Affordable Drinking Water **Target 6.4** | Increase Water-Use Efficiency and Ensure Fresh Water Supplies **Target 6.7** | Expand Water and Sanitation Support to Developing Countries
15 LIFE ON LAND	**Target 15.5** | Protect Biodiversity and Natural Habitats **Target 15.3** | End Desertification and Restore Degraded Land **Target 15.A** | Increase Financial Resources to Conserve and Sustainably Use Ecosystems and Biodiversity
14 LIFE BELOW WATER	**Target 14.1** | Reduce Marine Pollution **Target 14.2** | Protect and Restore Ecosystems
10 REDUCED INEQUALITIES	**Target 10.9** | Encourage Development Assistance and Investment in Least Developed Countries
3 GOOD HEALTH AND WELL-BEING	**Target 3.9** | Reduce Illnesses and Death from Hazardous Chemicals and Pollution

RISKS

Risk Management Statement

The Group is subject to various risks including those which derive from the nature of its Transitional Gas, Power and Green Hydrogen activities. The following list sets out the Group's principal risks and uncertainties and also provides details as to how these are managed.

RISK	MITIGATION
FUNDING AND FINANCING RISK The nature of the Group's business of exploration, appraisal and development in onshore and offshore regions means that there are significant costs associated with seismic, drilling and development projects.	The Group manages this risk in a number of ways. The Group closely monitors its cash position and each month produces updated cash flow forecasts to help it determine whether it has sufficient financial resources to fund its short and medium-term operations. The Group also ensures that it always has adequate levels of cash on deposit with varying terms of maturity to match when significant items of expenditure become due and maintains close cost control on projects and overheads. Through its detailed cash flow forecasting the Group has identified a short-term funding need which it intends to manage through its funding plans at the asset, subsidiary and Group level. In addition, the Group considers a wide variety of funding sources and is continually seeking to reduce its exposure to large, expensive projects by engaging with farm-in partners with a view to reducing its equity stakes in the licences in which it operates. Where the Group is unable to attract partners or funding it may relinquish assets. To date, the Group has been successful in both managing its cash position and bringing large, well-funded partners into its licences.
DEVELOPMENT RISK The Group's operated gas projects and renewable power project developments will require the construction and commissioning of production facilities, pipelines and other forms of infrastructure. Delays in the construction and commissioning of these infrastructure or other technical difficulties may result in the Group's current or future projected target dates for production being delayed, potential failure in project delivery or further capital expenditure being required.	To mitigate these risks, the Group looks to use leading contractors on project planning and execution, would look to raise required capital or project finance through leading banks and ensure adherence to the highest environmental standards across its activities. There is also a focus on negotiating gas sales and power agreements to support the projects, and as a public company, all material news will be communicated to the market on a timely basis. In addition, the Group manages the potential financial impact of project delays by maintaining insurance within ranges of coverage consistent with industry practice.
NON-OPERATED DEVELOPMENT RISK Delay in Final Investment Decision on Anchois is dependent on results of forthcoming appraisal drilling, commercial negotiations on gas offtake, design and cost of development scheme and financing, the outcomes of which are not certain. Delay in any of these elements of the project could lead to a corresponding delay in anticipated future cashflows from the Energean transaction and delivery of first production and revenue from the project. Additionally, the Group is reliant on a third-party JV operator for the delivery of appraisal drilling and subsequent development, as well as governmental approvals for which the timing and outcome are outside of the Group's control.	The Group has developed an excellent constructive working relationship with its new partner Energean, as well as the existing, well-established partnerships with ONHYM and Moroccan authorities, with all parties working together to expedite the appraisal drilling campaign in Q3 2024. Chariot has an active participation in technical meetings and has seconded a number of its key personnel into the drilling campaign team. In parallel, Chariot continues to support the JV's progression to Final Investment Decision in the areas of development planning, financing and commercialisation, with its teams and contacts in Morocco building on the work completed to date. Furthermore, the Group maintains its excellent relationships with ONHYM and the Moroccan Ministries with all stakeholders aligned on the objective of bringing Anchois into development and production.
OPERATING RISK The nature of gas operations means that the Group is exposed to risks such as equipment failure, well blowouts, fire, pollution and bad weather. There could also be other operational, environmental and HSE related incidents across projects.	In order to mitigate these risks, the Group ensures that: it adopts best-in-class industry operating and safety standards; it has sufficient levels of relevant insurance cover; and it only works with fellow operators and world-class contractors who can demonstrate similar high standards of safety, operating and financial capability. The Group also ensures it has project-specific HSE plans, documentation and training in place.

BOARD OF DIRECTORS

A Board with extensive and varied sector experience.

N R

GEORGE CANJAR
Non-Executive Chairman

Experience

- Over 40 years with Shell, Carrizo, Davis Petroleum and Hess supervising exploration, development and engineering projects. Global experience from offshore SE Asia to North American onshore
- Broad functional experience across the E&P sector with specific expertise in deal structuring, risk analysis, strategic modelling and finance
- Currently focused on transitional energy solutions including natural gas renewables

ADONIS POUROULIS
Chief Executive Officer

Experience

- One of the founders of Chariot with over 30 years, experience in the resources sector
- Influential in the founding, financing and growth of a number of companies, including Petra Diamonds
- Founder and Chair of the Pella Resources Group, an investor in and developer of natural resources, clean tech and sustainable energy
- Member of the Board since IPO, CEO since July 2020

A N R

CHRIS ZEAL
Non-Executive Director

Experience

- Over 30 years' experience across a wide range of sectors and retained by over 20 FTSE 100 companies including British Gas, Cairn Energy and Tullow Oil
- Previously Managing Director at Jefferies Hoare Govett (a division of Jefferies Inc.), specialising in corporate broking and investment banking
- Director at Ventus 2 VCT plc, a company invested in renewable energy companies in the UK

A H

ANDREW HOCKEY
Non-Executive Director

Experience

- Over 35 years' experience in the oil and gas industry, with specific expertise in the development and production of gas assets in the UKCS sector
- Founder and NED of Fairfield Energy Ltd and previously CEO of IOG, also with experience at Eni, Fina, LASMO, Triton Energy and Monument
- Currently CEO of the Engineering Construction Industry Training Board ("ECITB")

JULIAN MAURICE-WILLIAMS
Chief Financial Officer

Experience

- Chartered Accountant with over 20 years of experience in the energy sector
- Significant experience in financing, transactions and listed markets
- Previously with BDO LLP's natural resources department

H

DUNCAN WALLACE
Technical Director

Experience

- Geologist with over 20 years of experience in exploration and production
- Previously with Perenco as New Ventures Exploration Manager
- Successfully identified and captured the Lixus Offshore area in Morocco

A Audit Committee   H HSE and ESG Committee   N Nomination Committee   R Remuneration Committee   ● Chair

CORPORATE GOVERNANCE STATEMENT

The Chairman and Directors support and take responsibility for high standards of corporate governance. AIM rules require AIM companies to comply or explain against a recognised corporate governance code. The Group has decided to adhere to the Quoted Companies Alliance's ("QCA") Corporate Governance Code. The QCA Code is constructed around ten broad principles, details of which, along with the approach taken in respect of each principle at the Group, are below. The Board is not aware of any departure from the principles of the QCA Code.

PRINCIPLE	APPLICATION
1. Establish a strategy and business model which promote long-term value for shareholders.	For information on Chariot's business model, strategy and key challenges please refer to the Business model and Strategy pages and commentary in the Chairman's Statement and Q&A with the CEO on pages 10-15.
2. Seek to understand and meet shareholder needs and expectations.	Further detail is outlined in the relations with shareholders section on page 41 and full disclosure and information is available on the Company's website.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.	See pages 6-7 and pages 32-35.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The Directors acknowledge their responsibility for the Company's system of internal control and for reviewing its effectiveness. Despite the inherent presence of certain limitations in any system of internal control, the Board considers that the Company's existing risk assessment systems operated effectively throughout the year. Further information on relevant specific risks are detailed in the Risk Management Statement on page 36 and Committee overviews on page 40-41.
5. Maintain the Board as a well-functioning, balanced team led by the Chairman.	The Board meets quarterly and as required to consider all aspects of the Group's activities and are provided regular updates on specific areas of focus on an ongoing basis. Prior to meetings, the agenda and board papers are circulated to the Directors so that they are sufficiently appraised of activities and are prepared in advance. Full details of the Directors, including background, relevant experience and current role, and appointments to Board Committees are detailed on pages 37 and 40-41.

PRINCIPLE	APPLICATION
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	Full details of the Directors, including background, relevant experience and current role, and appointments to Board Committees are detailed on pages 37 and 40-41. Directors are able to attend relevant courses to supplement their skillset and request specific guidance from other professional advisors as required.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	The Board continually assesses the capabilities of the team and where the need has been identified seeks to make appointments which will enhance knowledge and skillset in delivering on the strategy. Full details of the Board Committees are contained on pages 40-41.
8. Promote a corporate culture that is based on ethical values and behaviours.	Chariot supports the growing awareness of social, environmental and ethical matters when considering business practices. An inclusive culture aligned with the Group's purpose and values plays a vital role in the Group's ability to execute its vision to be a leading player in the transitional energy space and deliver long-term value for shareholders. The Board acknowledges that it is accountable to stakeholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. Further information is detailed on pages 4-7.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	A summary of the governance structures and processes is detailed in the corporate governance page on the Chariot website.
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	The outcome of all shareholders' votes will be disclosed on the Chariot website in a clear and transparent manner. Copies of all historic Annual Reports and other governance-related material, including notices of all general meetings, are disclosed on the Chariot website. Further details of the Board Committees are disclosed below. An annual Remuneration Report is disclosed on pages 42-44.

CORPORATE GOVERNANCE STATEMENT CONTINUED

WORKINGS OF THE BOARD AND ITS COMMITTEES

THE BOARD OF DIRECTORS

The Board meets frequently to consider all aspects of the Group's activities. A formal schedule of matters reserved for the Board has been issued and approved and includes overall strategy and approval of major capital expenditure. As part of these regular strategy reviews the culture is monitored and assessed to ensure it is consistent with the company's objectives, strategy, business model and values as set out at the front of the report.

The Board consists of the Chairman, Executive Directors and Non-Executive Directors. All Directors have access to the advice and services of the Company Secretary and the Group's professional advisors. They devote as much time as is necessary to carry out their duties which can vary from time to time.

The Non-Executive Directors are considered to be independent, in terms of character and judgement, notwithstanding the following:

- All the Non-Executives are shareholders in the Company (see Directors' Report for details);
- All the Non-Executives held share options during the year ended 31 December 2023 (see note 27 for details); and
- George Canjar received a performance bonus in the year ended 31 December 2023 (see Directors' Remuneration Report for details).

THE CHAIRMAN

The Chairman's role is to lead the Board, set its agenda, ensure it receives accurate, timely and clear information and oversee the adoption, delivery and communication of the Company's corporate governance recommendations. Furthermore, the Chairman ensures effective communication within the Board, its Committees and senior management and takes a leading role in determining the composition and structure of the Board.

THE HSE AND ESG COMMITTEE

The Health, Safety, Environmental, Social and Governance ("HSE" and "ESG") Committee comprises Andrew Hockey (Chairman), Duncan Wallace and other key company representatives.

The Committee is responsible for overseeing that Chariot and its subsidiaries meet their responsibilities with regards to HSE and ESG across its employees, shareholders, contractors and the communities in which the Group operates. The Committee is responsible for reviewing and recommending the Company's HSE and ESG policies, strategies and activity plans. It also reviews and recommends the implementation of management systems, including the provision of organisation and resources for identification, minimisation and mitigation of risks and major hazards. The Committee is also responsible for recommending actions to be taken in line with Company activities considering all applicable laws, regulations and major emerging issues or trends.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Chris Zeal (Chairman) and George Canjar.

The purpose of the Remuneration Committee is to make recommendations to the Board on an overall remuneration policy for Executive Directors and other senior executives in order to retain, attract and motivate high-quality executives capable of achieving the Group's objectives. Furthermore, it serves the purpose of demonstrating to shareholders that the remuneration of the Executive Directors for the Group is set by a committee whose members have no personal interest in the outcome of their decision and who will have due regard to the interests of the shareholders.

AUDIT COMMITTEE

The Audit Committee comprises Andrew Hockey (Chairman) and Chris Zeal.

The Audit Committee is responsible for monitoring the quality of any internal financial controls and for ensuring that the financial performance of the Group is properly monitored, controlled and reported on. It also meets the Group's auditors and reviews reports from the auditors relating to accounts and any internal financial control systems.

NOMINATION COMMITTEE

The Nomination Committee comprises Chris Zeal (Chairman) and George Canjar.

The Nomination Committee meets at least annually and is responsible for reviewing the structure, size and composition of the Board, succession planning, preparing a description of the role and capabilities required for a particular appointment, identifying and nominating candidates to fill Board positions and evaluating the performance and effectiveness of the Board.

RELATIONS WITH SHAREHOLDERS

Communication with shareholders is given a high priority by the Board of Directors which takes responsibility for ensuring that a satisfactory dialogue takes place. Directors plan to meet with the Company's institutional shareholders following the announcement of interim and final results and at other appropriate times. The Directors are also in regular contact with stockbrokers' analysts. The Company has developed a website containing investor information to improve communication with individual investors and other interested parties.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's system of internal control and for reviewing its effectiveness. The system of internal control is designed to safeguard the Company's assets and interests and to help ensure accurate reporting and compliance with applicable laws and regulation. Despite the inherent presence of certain limitations in any system of internal control, the Board considers that the Company's existing systems operated effectively throughout the year.

MEETINGS HELD DURING 2023

	Board Meetings 8 held	Audit Committee 3 held	Remuneration Committee 2 held	Nomination Committee 2 held	Health, Safety, Environmental, Social and Governance ("HSE" and "ESG") Committee 2 held
G Canjar	8	—	2	2	—
A Pouroulis	8	—	—	—	—
J Maurice-Williams	8	3	2	2	—
D Wallace	8	—	—	—	2
C Zeal	8	3	2	2	—
A Hockey	8	3	—	—	2

DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE

The Group's Remuneration Committee comprises Chris Zeal (Chairman) and George Canjar.

The main purpose of the Remuneration Committee is to:

- make recommendations to the Board on an overall remuneration policy for Executive Directors and other senior executives in order to retain, attract and motivate high-quality executives capable of achieving the Group's objectives; and
- demonstrate to shareholders that the remuneration of the Executive Directors of the Group is set by a committee whose members have no personal interest in the outcome of their decision and who will have due regard to the interests of the shareholders.

PROCEDURES FOR DEVELOPING POLICY AND FIXING REMUNERATION

The Board fixes executive remuneration and ensures that no Director is involved in deciding his or her own remuneration. The Committee is authorised to obtain outside professional advice and expertise.

The Remuneration Committee is authorised by the Board to investigate any matter within its terms of reference and it is authorised to seek any information that it requires from any employee.

DETAILS OF THE REMUNERATION POLICY

The fees to be paid to the Directors are recommended by the Remuneration Committee and are subject to approval by the full Board.

DIRECTORS' SERVICE AGREEMENTS

Service agreements for Directors are terminable by either party on notice periods of twelve months.

DIRECTORS' REMUNERATION

The following remuneration comprises Directors' fees and benefits in kind that were paid to Directors during the year:

	Fees/basic salary US$000	Performance cash bonus US$000	Benefits in kind US$000	Pension contribution US$000	Year ended 31 December 2023 Total US$000	Year ended 31 December 2022 Total US$000
G Canjar	218	95	—	—	**313**	385
A Pouroulis	497	216	5	—	**718**	758
J Maurice-Williams	373	163	4	30	**570**	630
D Wallace	373	163	3	30	**569**	630
C Zeal	75	—	—	—	**75**	68
A Hockey	75	—	—	—	**75**	68
Total	**1,611**	**637**	**12**	**60**	**2,320**	**2,539**

DIRECTORS' INTERESTS IN SHARES

The Directors who held office at the end of the year had the following interests in the issued share capital of the Group:

	31 December 2023	31 December 2022
G Canjar	**2,729,881**	2,529,881
A Pouroulis(1)	**87,465,324**	87,465,324
J Maurice-Williams	**563,953**	462,841
D Wallace	**663,591**	562,048
C Zeal	**400,043**	400,043
A Hockey	**313,246**	313,246
Total	**92,136,038**	91,733,383

(1) 73,359,099 shares are held by Westward Investments Limited, a company which is owned by a discretionary trust of which A Pouroulis is one of a number of beneficiaries. 14,006,225 shares are held by Leto Trust of which A Pouroulis is one of a number of beneficiaries and 100,000 shares are owned directly by A Pouroulis.

SHARE OPTIONS

LONG TERM INCENTIVE SCHEME ("LTIP")

The Group operates a LTIP scheme pursuant to which Directors and employees may be awarded shares for Nil consideration.

Further details of the LTIP scheme can be found in note 27.

The Directors who held office at the reporting date and who had interests in the LTIP scheme are:

	LTIPs held at 31 December 2022	Granted during the year	LTIPs held at 31 December 2023	Grant date	Exercisable from	Expiry date
A Pouroulis	7,837,209	—	**7,837,209**	2/8/21	30/6/22(2)	1/8/31
A Pouroulis	5,111,524	—	**5,111,524**	12/8/22	30/6/23(3)	11/8/32
A Pouroulis	—	977,654	**977,654**	19/12/23	30/6/24(4)	18/12/33
J Maurice-Williams	133,333	—	**133,333**	11/2/14	11/2/17	30/4/27(5)
J Maurice-Williams	218,750	—	**218,750**	18/2/15	18/2/18	30/4/27(5)
J Maurice-Williams	433,125	—	**433,125**	20/5/16	20/5/19	19/5/26
J Maurice-Williams	869,566	—	**869,566**	9/11/16	30/6/19	8/11/26
J Maurice-Williams	625,000	—	**625,000**	13/4/17	1/1/20	12/4/27
J Maurice-Williams	677,791	—	**677,791**	4/8/17	30/6/20	3/8/27
J Maurice-Williams	212,308	—	**212,308**	15/6/18	1/1/21	14/6/28
J Maurice-Williams	256,654	—	**256,654**	6/8/18	30/6/21	5/8/28
J Maurice-Williams	306,250	—	**306,250**	2/7/19	1/1/22	1/7/29
J Maurice-Williams	3,501,938	—	**3,501,938**	2/8/21	30/6/22(2)	1/8/31
J Maurice-Williams	4,182,156	—	**4,182,156**	12/8/22	30/6/23(3)	11/8/32
J Maurice-Williams	—	733,240	**733,240**	19/12/23	30/6/24(4)	18/12/33
D Wallace	501,409	—	**501,409**	26/8/13	26/8/14(1)	30/4/27(5)
D Wallace	531,250	—	**531,250**	18/2/15	18/2/16(1)	30/4/27(5)
D Wallace	637,500	—	**637,500**	20/5/16	20/5/17(1)	19/5/26
D Wallace	637,500	—	**637,500**	20/3/17	20/3/18(1)	19/3/27
D Wallace	319,375	—	**319,375**	15/4/19	15/4/20(1)	14/4/29
D Wallace	3,501,938	—	**3,501,938**	2/8/21	30/6/22(2)	1/8/31
D Wallace	4,182,156	—	**4,182,156**	12/8/22	30/6/23(3)	11/8/32
D Wallace	—	733,240	**733,240**	19/12/23	30/6/24(4)	18/12/33
Total	**34,676,732**	**2,444,134**	**37,120,866**			

(1) Vests in equal instalments over a three year period on the anniversary of the grant date.
(2) Vests in three equal instalments on 30 June 2022, 2023 and 2024.
(3) Vests in three equal instalments on 30 June 2023, 2024 and 2025.
(4) Vests in three equal instalments on 30 June 2024, 2025 and 2026.
(5) As announced on 30 April 2024, the expiry date of these options has been extended to 30 April 2027.

DIRECTORS' REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS' RESTRICTED SHARE UNITS ("RSU")

The Group operates an RSU scheme pursuant to which Non-Executive Directors may be awarded shares for Nil consideration. The awards vest in equal instalments over a three year period on the anniversary of the grant date unless otherwise specified. Further details of the RSU scheme can be found in note 27. The Directors who held office at the reporting date and who had interests in the RSU scheme are:

	RSU held at 31 December 2022	Granted in year	Lapsed in the year	RSU held at 31 December 2023	Grant date	Expiry date
A Pouroulis	18,533	—	—	**18,533**	20/9/13	30/4/27(10)
A Pouroulis	504,202	—	—	**504,202**	23/9/14	30/4/27(10)
A Pouroulis	72,463(1)	—	—	**72,463(1)**	9/11/16	8/11/26
A Pouroulis	109,795(2)	—	—	**109,795(2)**	4/8/17	3/8/27
G Canjar	51,265	—	(51,265)	**—**	20/9/13	Lapsed
G Canjar	159,000	—	(159,000)	**—**	24/9/13	Lapsed
G Canjar	57,513	—	(57,513)	**—**	23/9/14	Lapsed
G Canjar	75,060	—	(75,060)	**—**	20/7/15	Lapsed
G Canjar	318,841(1)	—	(318,841)	**—**	9/11/16	Lapsed
G Canjar	412,389(2)	—	(412,389)	**—**	4/8/17	Lapsed
G Canjar	450,000	—	(450,000)	**—**	20/5/19	Lapsed
G Canjar	1,851,852(2)	—	(1,234,568)	**617,284(3)**	2/8/21	1/8/31
G Canjar	1,290,703(4)	—	(860,469)	**430,234(4)**	2/8/21	1/8/31
G Canjar	319,828(5)	—	(213,219)	**106,609(5)**	12/8/22	11/8/32
G Canjar	177,777(6)	—	(118,518)	**59,259(6)**	12/8/22	11/8/32
G Canjar	2,788,104(7)	—	(929,368)	**1,858,736(7)**	12/8/22	11/8/32
G Canjar	—	427,723	—	**427,723(9)**	19/12/23	18/12/33
C Zeal	198,023	—	—	**198,023**	20/5/19	19/5/29
C Zeal	833,333(3)	—	—	**833,333(3)**	2/8/21	1/8/31
C Zeal	90,909(4)	—	—	**90,909(4)**	2/8/21	1/8/31
C Zeal	111,111(6)	—	—	**111,111(6)**	12/8/22	11/8/32
A Hockey	833,333(6)	—	—	**833,333(3)**	2/8/21	1/8/31
A Hockey	181,818(4)	—	—	**181,818(4)**	2/8/21	1/8/31
A Hockey	71,428(5)	—	—	**71,428(5)**	12/8/22	11/8/32
A Hockey	60,000(8)	—	—	**60,000(8)**	23/9/22	23/9/32
Total	**11,037,280**	**427,723**	**(4,880,210)**	**6,584,793**	**—**	**—**

(1) Fully vested in 2019.
(2) Fully vested in 2020.
(3) Vests in three equal instalments on 30 June 2022, 2023 and 2024.
(4) Vests in three equal instalments on 29 June 2022, 2023 and 2024.
(5) Vests in three equal instalments on 16 December 2022, 2023 and 2024.
(6) Vests in three equal instalments on 14 June 2022, 2023 and 2024.
(7) Vests in three equal instalments on 30 June 2023, 2024 and 2025.
(8) Vests in three equal instalments on 23 September 2023, 2024 and 2025.
(9) Vests in three equal instalments on 30 June 2024, 2025 and 2026.
(10) As announced on 30 April 2024, the expiry date of these options has been extended to 30 April 2027.

By order of the Board

CHRIS ZEAL
Chairman of the Remuneration Committee

10 June 2024

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

This Committee currently comprises Andrew Hockey (Chairman) and Chris Zeal.

The Audit Committee met three times during the year. The auditors have unrestricted access to the Chairman of the Audit Committee. Audit Committee meetings are usually attended by the auditor and, by invitation, senior management.

The main responsibilities of the Audit Committee include:

- monitoring the integrity of the Group's financial statements, including review of the financial statements of the Company, including its annual and half-yearly reports and any formal announcements relating to its financial performance;
- reviewing the effectiveness of the Group's financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk;
- monitoring the effectiveness of the internal control environment;
- making recommendations to the Board on the appointment of the auditors;
- making a recommendation to the Board on auditors' fees;
- agreeing the scope of the auditors' annual audit programme and reviewing the output;
- ensuring the independence of the auditors is maintained;
- assessing the effectiveness of the audit process; and
- developing and implementing policy on the engagement of the auditors to supply non-audit services.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal Audit function in the context of the Group's overall risk management system. The Committee is satisfied that the Group does not currently require an internal Audit function; however, it will continue to periodically review the situation.

An essential part of the integrity of the financial statements lies around the key assumptions and estimates or judgements to be made. The Committee reviewed and was satisfied that the judgements exercised by management contained within the Annual Report and Financial Statements are reasonable.

Details of fees payable to the auditors are set out in note 5.

ANDREW HOCKEY
Chairman of the Audit Committee

10 June 2024

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The results for the year are set out on page 53.

The Directors do not recommend payment of a final dividend (31 December 2022: US$Nil).

PRINCIPAL ACTIVITY

The principal activity of the Group is appraisal and development of gas assets, renewable energy to power projects and development of an early-stage green hydrogen project.

GOING CONCERN

The Group operates as a transitional energy group focused on developing large-scale gas, renewable power and hydrogen projects in Africa. To date, it has not earned any revenues and so is reliant on various options, including asset partnering, project finance debt, and equity placements to finance the Group and progress its projects to first revenues.

As detailed in note 2, the need for additional financing indicates the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. Based on feedback from ongoing financing discussions, the Directors have made a judgement that the necessary funds to adequately finance the Group's obligations will be raised and that the Group will continue to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial statements.

BUSINESS REVIEW AND PRINCIPAL RISKS AND UNCERTAINTIES

A full review of the Group's activities during the year, recent events and expected future developments is contained within the Chairman's Statement, the Q&A with the CEO, the Chief Financial Officer's Review and the Technical Director's Review of Operations.

The Group is subject to various risks including those which derive from the nature of its exploration, appraisal and development activities. The Risk Management Statement sets out the Group's principal risks and uncertainties and also provides details as to how these are managed.

KEY PERFORMANCE INDICATORS

The Group has certain Key Performance Indicators ("KPIs") which seek to align its performance with the interests of its key stakeholders. These KPIs cover share price performance versus peers, management of cash resources and working capital, efficient growth of resource base, conversion of resources to reserves, capital expenditure versus budget, securing additional finance when required and maintaining high HSE standards. Further details of business performance are detailed in the Chairman's Statement and Q&A with the CEO.

FINANCIAL INSTRUMENTS

Details of the use of financial instruments by the Group are contained in note 26 to the financial statements.

DIRECTORS

The Directors of the Company during the year were:

George Canjar (Non-Executive Chairman)

Adonis Pouroulis (Chief Executive Officer)

Julian Maurice-Williams (Chief Financial Officer)

Duncan Wallace (Technical Director)

Chris Zeal (Non-Executive Director)

Andrew Hockey (Non-Executive Director)

Details of Directors' interests in shares, share options, LTIPs and RSUs are disclosed in the Directors' Remuneration Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Report of the Directors and the financial statements for the Group in accordance with applicable Guernsey law and regulations.

The Companies (Guernsey) Law, 2008, requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have elected to prepare the financial statements in accordance with UK International Accounting Standards. International Accounting Standard 1 requires that the financial statements present fairly for each financial year the Group's financial position, financial performance and cashflows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as each of the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware; having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

WEBSITE PUBLICATION

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with applicable legislation in Guernsey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AUDITORS

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next General Meeting.

By order of the Board

JULIAN MAURICE-WILLIAMS
Chief Financial Officer

10 June 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Chariot Limited

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements of Chariot Limited (the "Group"):

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK international accounting standards; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Group for the year ended 31 December 2023 which comprise 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 notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK international accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the financial statements concerning the Group's ability to continue as a going concern. The matters explained in note 2 indicate that the Group will have a cash deficit from July 2024, which the Directors will manage through cutting discretionary expenditure and deferring creditor payments until funding across the business at an asset, subsidiary or Group level is obtained, for which there are currently no binding agreements in place. As stated in Note 2, these events or conditions, along with the other matters set out in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the material uncertainty noted above and our risk assessment, we considered going concern to be a key audit matter.

- Obtaining the Directors' analysis and associated cash flow forecasts in respect of the Directors' assessment of going concern and challenging the key underlying judgments and assumptions. In doing so we compared forecast operating and capital expenditures to recent actuals and approved budgets and evaluated the extent to which forecast cash receipts are committed. We evaluated the licence obligations and commitments to confirm that they had been appropriately included in the forecast;
- Testing the mathematical accuracy and integrity of the forecast and agreeing the current cash resources to supporting documentation;
- Obtaining an analysis of current cash balances and creditor positions and agreeing a sample to underlying bank statements and accounts payable ledgers;
- Obtaining written representations from management and examining supporting information that corroborates the Directors' assumptions that the Group can mitigate a cash deficit in July 2024 through cutting discretionary expenditure and deferring creditor payments, and have feasible plans in place to obtain funding across the business at an asset, subsidiary or Group level ahead of a cash deficit occurring;
- Evaluating sensitivity analysis and stress tests on the forecasts; and
- Reviewing the adequacy and consistency of the disclosures within the financial statements in respect of going concern with the Directors' assessment, including the key judgements made by the Directors.

In auditing the financial statements, we have concluded that Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

COVERAGE	98% (2022: 98%) of Group loss before tax 99% (2022: 99%) of Group total assets		
KEY AUDIT MATTERS		**2023**	**2022**
	Going concern	Yes	Yes
	Business combination is no longer considered to be a key audit matter because there was no acquisition in the current year.		
MATERIALITY	Group financial statements as a whole $1.1 million (2022:$1.0 million) based on 1.5% (2022: 1.5%) of Group total assets		

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined that there were two significant components in the Group which were subject to a full scope audit. The remaining components of the Group were considered non-significant and the financial information of these components was principally subject to analytical review procedures or full scope audits where the component is required to have a statutory audit. All procedures were performed by the Group engagement team.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described in the Material uncertainty related to going concern section of our report to be the only key audit matter to be communicated in our report.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Chariot Limited

OUR APPLICATION OF MATERIALITY CONTINUED

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	GROUP FINANCIAL STATEMENTS	
	2023 $m	2022 $m
MATERIALITY	1.1	1.0
BASIS FOR DETERMINING MATERIALITY	1.5% of Group total assets	1.5% of Group total assets
RATIONALE FOR THE BENCHMARK APPLIED	Total Assets was determined as an appropriate basis as the principal focus of the Group remains fundamentally on the advancement and development of its projects. As such, we consider the users of the financial statements will look to the statement of financial position and total assets of the Group in order to understand the level of investment.	
PERFORMANCE MATERIALITY	0.8	0.7
BASIS FOR DETERMINING PERFORMANCE MATERIALITY	70% of Materiality	
RATIONALE FOR THE PERCENTAGE APPLIED FOR PERFORMANCE MATERIALITY	The level of performance materiality was set after considering a number of factors including the expected value of known and likely misstatements and Management's attitude towards proposed misstatements based on past experience.	

COMPONENT MATERIALITY

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group based on a percentage of 70% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was set at $770,000 (2022: $710,000). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $22,000 (2022: $20,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES (GUERNSEY) LAW, 2008 REPORTING

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, within the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, Companies (Guernsey) Law 2008, tax regulations and AIM Listing Rules.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws or regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws or regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensic specialists during the engagement team fraud discussions; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries and bias in areas of judgement, due to the level of subjectivity involved with them.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Chariot Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria that could be indicative of fraud including bribery, by agreeing to supporting documentation;
- Reviewing the Group's year end adjusting entries, consolidation entries and investigating any that appeared unusual as to nature or amount by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's opinion is Peter Acloque.

BDO LLP
Chartered Accountants
London, United Kingdom

10 June 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 US$000	Year ended 31 December 2022 US$000
Revenue	3	**80**	—
Share-based payments	27	(5,652)	(4,168)
Hydrogen and other business development costs		(1,285)	(1,704)
Other administrative expenses		(8,680)	(8,478)
Total operating expenses		**(15,617)**	**(14,350)**
Loss from operations	5	**(15,537)**	**(14,350)**
Finance income	7	202	74
Finance expense	7	(236)	(608)
Loss for the year before taxation		**(15,571)**	**(14,884)**
Tax expense	9	—	—
Loss for the year		**(15,571)**	**(14,884)**
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(14)**	**(3)**
Other comprehensive income for the year, net of tax		**(14)**	**(3)**
Total comprehensive loss for the year		**(15,585)**	**(14,887)**
(Loss)/profit for the year attributable to:			
Owners of the parent		**(15,578)**	**(14,882)**
Non-controlling interest		**7**	**(2)**
		(15,571)	**(14,884)**
Total comprehensive (loss)/profit attributable to:			
Owners of the parent		**(15,592)**	**(14,885)**
Non-controlling interest		**7**	**(2)**
		(15,585)	**(14,887)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	10	**US$(0.02)**	**US$(0.02)**

All amounts relate to continuing activities.

The notes on pages 57-76 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

For the year ended 31 December 2022	Share capital US$000	Share premium US$000	Share-based payment reserve US$000	Other components of equity US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000	Non-controlling interest US$000	Total equity US$000
As at 1 January 2022	**11,696**	**383,318**	**2,207**	**938**	**(359,199)**	**38,960**	**—**	**38,960**
Loss for the year	—	—	—	—	(14,882)	(14,882)	(2)	(14,884)
Other comprehensive loss	—	—	—	(3)	—	(3)	—	(3)
Loss and total comprehensive loss for the year	—	—	—	(3)	(14,882)	(14,885)	(2)	(14,887)
Issue of capital	2,567	32,143	(276)	—	—	34,434	—	34,434
Issue costs	—	(1,618)	—	—	—	(1,618)	—	(1,618)
Share-based payments	—	—	4,168	—	—	4,168	—	4,168
As at 31 December 2022	**14,263**	**413,843**	**6,099**	**935**	**(374,081)**	**61,059**	**(2)**	**61,057**

For the year ended 31 December 2023	**Share capital US$000**	**Share premium US$000**	**Share-based payment reserve US$000**	**Other components of equity US$000**	**Retained deficit US$000**	**Total attributable to equity holders of the parent US$000**	**Non-controlling interest US$000**	**Total equity US$000**
As at 1 January 2023	**14,263**	**413,843**	**6,099**	**935**	**(374,081)**	**61,059**	**(2)**	**61,057**
(Loss)/profit for the year	—	—	—	—	(15,578)	(15,578)	7	(15,571)
Other comprehensive loss	—	—	—	(14)	—	(14)	—	(14)
Loss and total comprehensive loss for the year	—	—	—	(14)	(15,578)	(15,592)	7	(15,585)
Issue of capital	1,451	18,733	(1,146)	—	—	19,038	—	19,038
Issue costs	—	(1,284)	—	—	—	(1,284)	—	(1,284)
Movements on shares to be issued in reserve	—	—	—	(142)	142	—	—	—
Share-based payments	—	—	5,652	—	—	5,652	—	5,652
As at 31 December 2023	**15,714**	**431,292**	**10,605**	**779**	**(389,517)**	**68,873**	**5**	**68,878**

The notes on pages 57-76 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**31 December 2023 US$000**	31 December 2022 US$000
Non-current assets			
Exploration and evaluation assets	11	62,956	51,795
Goodwill	12	380	380
Investment in power projects	13	334	448
Property, plant and equipment	16	646	428
Right-of-use asset	20	1,242	332
Total non-current assets		**65,558**	**53,383**
Current assets			
Trade and other receivables	15, 17	1,263	755
Inventory	18	1,808	1,424
Cash and cash equivalents	19	6,016	12,052
Total current assets		**9,087**	**14,231**
Total assets		**74,645**	**67,614**
Current liabilities			
Trade and other payables	21	4,429	6,198
Lease liability: office lease	20	430	359
Total current liabilities		**4,859**	**6,557**
Non-current liabilities			
Lease liability: office lease	20	908	—
Total non-current liabilities		**908**	—
Total liabilities		**5,767**	**6,557**
Net assets		**68,878**	**61,057**
Capital and reserves attributable to equity holders of the parent			
Share capital	22	15,714	14,263
Share premium		431,292	413,843
Share-based payment reserve		10,605	6,099
Other components of equity	23	779	935
Retained deficit		(389,517)	(374,081)
Capital and reserves attributable to equity holders of the parent		**68,873**	**61,059**
Non-controlling interest	14	5	(2)
Total equity		**68,878**	**61,057**

The notes on pages 57-76 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 10 June 2024.

GEORGE CANJAR
Chairman

10 June 2024

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	Year ended 31 December 2023 US$000	Year ended 31 December 2022 US$000
Operating activities		
Loss for the year before taxation	(15,571)	(14,884)
Adjustments for:		
Finance income	(202)	(74)
Finance expense	236	608
Change in value of investment in power project	114	—
Depreciation	485	472
Share-based payments	5,652	4,168
Net cash outflow from operating activities before changes in working capital	**(9,286)**	**(9,710)**
(Increase)/decrease in trade and other receivables	(535)	210
Increase/(decrease) in trade and other payables	1,251	(132)
Cash outflow from operating activities	**(8,570)**	**(9,632)**
Net cash outflow from operating activities	**(8,570)**	**(9,632)**
Investing activities		
Finance income	93	62
Payments in respect of property, plant and equipment	(400)	(256)
Payments in respect of exploration assets	(14,246)	(29,243)
Net cash outflow used in investing activities	**(14,553)**	**(29,437)**
Financing activities		
Issue of ordinary share capital net of fees	17,754	32,816
Payments of lease liabilities	(432)	(501)
Finance expense on lease	(43)	(27)
Net cash from financing activities	**17,279**	**32,288**
Net decrease in cash and cash equivalents in the year	(5,844)	(6,781)
Cash and cash equivalents at start of the year	**12,052**	**19,406**
Effect of foreign exchange rate changes on cash and cash equivalents	(192)	(573)
Cash and cash equivalents at end of the year	**6,016**	**12,052**

The notes on pages 57-76 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 GENERAL INFORMATION

Chariot Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP. 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 UK International Accounting Standards.

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

As at 31 December 2023, the Group had cash of US$6.0 million, no debt, trade and other receivables of US$1.3 million, inventory of US$1.8 million and trade and other payables of US$4.4 million.

The Group operates as a transitional energy group focused on developing large-scale gas, renewable power and hydrogen projects in Africa. To date, it has not earned any revenues and so is reliant on various options, including asset partnering, project finance debt, and equity placements to finance the Group's overheads and progress its projects to first revenues.

The Group financial statements have been prepared on a going concern basis with the Directors of the opinion that the Group will be able to meet its obligations as and when they fall due.

As at 30 April 2024, the Group had cash of US$7.9 million, no debt, trade and other receivables of approximately US$1.3 million, inventory of approximately US$2.2 million and trade and other payables of approximately US$3.2 million. The Board has prepared a cash flow forecast for the period 1 May 2024 to 31 December 2025. This has included the following assumptions:

ANCHOIS GAS DEVELOPMENT:

On the Group's Anchois gas development, the partnering process with Energean plc ("Energean") completed in April 2024 and provided:

- An upfront gross cash consideration payment of US$10 million received in April 2024.
- Subject to a successful FID, expected in the months following the Anchois-East drilling and testing campaign, the Group will receive US$15 million payable in cash and following completion of the Anchois well, Energean will have the right to acquire a further 10% of Chariot's equity in the Lixus licence for a US$850 million gross development carry to first gas (including the US$85 million gross carry). At Chariot's option the Group will also receive either a US$50 million 5-year zero coupon convertible loan note with a strike price of £20 adjusted down for dividends, or issuance of three million Energean shares. The Energean shares currently attract a quarterly dividend and if this option were taken would provide Chariot with regular quarterly near-term cashflows.
- An US$85 million gross carry including all Lixus costs up to FID, including the additional Anchois well with a gas flow test, and planned Rissana seismic acquisition costs separately capped at US$7 million. Energean's carry of Chariot's costs is non-recourse, and has a coupon of 7% over the one year Secured Overnight Financing Rate ("SOFR"), with the carry including interest repayable from 50% of Chariot's future net sales revenues from the Lixus licence.

Further interim period cost amounts have also been received by the Group from Energean in relation to costs paid by Chariot on the gas development between the December 2023 agreement signature and completion in April 2024. Following completion, Chariot staff have been seconded under a services agreement to the Anchois-East drilling project, which provides a monthly recovery of their cost.

Management is confident that progress on the Anchois project will lead to first revenues generating income to fund ongoing overheads. The Risk Management Statement outlines the principle risks and uncertainties of natural gas exploration and the mitigations the Group has in place. Strategic discussions continue with potential investors to provide further funding as required at the asset, subsidiary or Group level.

Over the forecast period the Group estimates a gross US$6.5 million outflow in respect of the Transitional Gas overhead and other related costs before any recovery of development costs from joint venture partners.

LOUKOS GAS DEVELOPMENT:

The onshore drilling campaign has successfully been completed. At the date of these financial statements, the RZK-1 well was found to be sub-economic but a gas discovery was announced from the drilling of the OBA-1 well. The remaining cost of drilling these two wells over the forecast period is estimated at US$6.7 million. The Group has minimal licence commitments over the going concern period in its position as operator on the licence. The Group is in early commercialisation discussions with bankable offtakers which, subject to the discovery of gas, will provide near-term gas sales with minimal capital commitments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

2 ACCOUNTING POLICIES CONTINUED

TRANSITIONAL POWER BUSINESS:

The renewable projects are focused on the South African energy market and are at an earlier stage of development. The Group is evaluating project finance and investment at subsidiary levels to enable the business to fulfil its potential and has received over 10 non-binding expressions of interest from South Africa focused banks, institutions and major energy groups to fund the Transitional Power business, providing near-term cashflows.

The Directors have forecast an uncommitted US$3.6 million outflow to fund related overheads and development of the Transitional Power business over the forecast period.

GREEN HYDROGEN:

The Group continues to progress financing options at the subsidiary level ahead of making any significant capital commitments. The Directors have forecast an uncommitted US$1.4 million outflow to fund related overheads and development of the green hydrogen business over the forecast period.

CORPORATE:

The Directors have forecast a US$7.2 million outflow for ongoing general and administrative costs of the Group over the forecast period.

CONCLUSION

The forecast indicates that there will be a cash deficit from July 2024. To manage this, the Directors, mitigating actions include cutting discretionary expenditure and deferring creditor payments until funding across the business at an asset, subsidiary or Group level are successful; however, it also acknowledges that this short-term funding is not, at the present time, in place.

Longer term, subject to successful drilling results at Anchois-East, Chariot, in partnership with Energean and ONHYM, are focused on reaching FID shortly after the drilling and testing campaign has completed which could result in US$15 million cash inflow within the going concern forecast period.

Further, based on the strong interest from South Africa focused investors, management is confident that financing options are available to fund ongoing Transitional Power project work and overheads. In the event that a funding package for the Transitional Power business is not concluded in the near-term, the Group will be required to seek other funding options for this business pillar to fund its share of future capital expenditure on projects and related overheads.

Based on feedback from ongoing financing discussions, the Directors have made a judgement that the necessary funds to adequately finance the Group's obligations will be secured and that the Group will continue to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial statements; however, the need for additional financing in the short term, which has not yet been secured, indicates the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern, and its ability to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include adjustments that would be required if the Group was unable to continue as a going concern.

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 2023. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

Standard	Effective year commencing on or after
IFRS 17 Insurance Contracts	1 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies)	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Accounting Estimates)	1 January 2023
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2024 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
IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendment – Non-Current Liabilities with Covenants)	1 January 2024

IFRS 16 – LEASES

Under IFRS 16, lease liabilities are initially measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate at the date of recognition. Associated right-of-use assets are measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments.

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.

The Group has elected not to recognise right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low-value assets. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Further details on the lease liability can be found in note 20.

EXPLORATION AND EVALUATION ASSETS

The Group accounts for exploration and evaluation costs in accordance with the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources.

Any costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Income Statement. All expenditures relating to the acquisition, exploration and appraisal of oil and gas interests, including an appropriate share of directly attributable overheads, are recognised as exploration and evaluation assets and initially capitalised by reference to appropriate geographic areas. Costs recognised as exploration and evaluation assets are transferred to property, plant and equipment and classified as oil and gas assets when technical feasibility and commercial viability of extracting hydrocarbons is demonstrable.

Costs recognised as exploration and evaluation assets are tested for impairment whenever facts and circumstances suggest that they may be impaired. 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 geographic area 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 geographic area are treated as a credit to the Consolidated Statement of Comprehensive Income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

2 ACCOUNTING POLICIES CONTINUED

INVESTMENT IN POWER PROJECTS

The Group, through its subsidiary Chariot Transitional Power France, holds a 10% investment in the Essakane solar project, Burkina Faso. This investment is recognised at fair value through profit and loss with any movement in fair value subsequently recognised in the Consolidated Statement of Comprehensive Income.

The investment is not held under a 'hold to collect' or 'hold to collect and sell' business model and is therefore categorised as fair value through profit and loss.

Further details on the investment in power projects can be found in note 13.

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.

Inventory valuation is continually reviewed against expected use in anticipated future drilling campaigns. Obsolete or damaged inventory is expensed to the income statement as identified.

REVENUE

The Group's revenue is derived from one fixed price contract to provide desalinated water and therefore the amount of revenue to be earned from the contract is determined by reference to those fixed prices. Revenue on this contract is recognised at the point that the desalinated water for each monthly period has been provided to the customer.

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 currency of the Company and its subsidiaries is the US Dollar, except for Chariot Transitional Power France, Chariot Transitional Power Africa and Chariot Transitional Power South Africa Pty Limited which have the European Euro as their functional currency.

Translation gains or losses resulting from the translation of the financial statements from the functional currency to the presentation currency are recorded as a foreign currency translation reserve in the Statement of Changes in Equity.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation and impairment. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling, decommissioning and removing items. The corresponding liability is recognised within provisions. 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.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are complete and ready for their intended use.

Fixtures, fittings and office equipment are depreciated using the straight line method over their estimated useful lives over a range of 3 – 5 years.

Energy plant and equipment is depreciated using the straight-line method over their estimated useful lives over a range of 5 – 20 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.

GOODWILL

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

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. Current equity settled share awards issued have no market vesting conditions attached.

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.

For share-based payment transactions with parties other than employees, the fair value of an equity-settled share-based payment is based on the fair value of the goods or services provided.

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.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the non-controlling shareholder's share of changes in equity. The non-controlling interests' share of losses, where applicable, are attributed to the non-controlling interests irrespective of whether the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the loss.

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

TRADE AND OTHER RECEIVABLES

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

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.

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 ARRANGEMENTS

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement;
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement,
- The legal form of joint arrangements structured through a separate vehicle,
- The contractual terms of the joint arrangement agreement.
- Any other facts and circumstances (including any other contractual arrangements).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

2 ACCOUNTING POLICIES CONTINUED

JOINT ARRANGEMENTS CONTINUED

Joint ventures are initially recognised in the Consolidated Statement of Financial Position at cost, including long-term shareholder loans as investments in joint ventures. Subsequently, joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Consolidated Statement of Profit and Loss and other comprehensive income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses). Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. The Group conducts some of its Transitional Power and Green Hydrogen 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:

a) Areas of judgement

i. Recoverability of exploration and evaluation assets

Expenditure is capitalised as an intangible asset by reference to appropriate geographic area and is assessed for impairment against the criteria set out in IFRS 6 when management assesses that circumstances suggest that the carrying amount may exceed its recoverable value.

The making of this assessment involves judgement concerning the Group's future plans and current technical and legal assessments. In considering whether exploration and evaluation assets are impaired, the Group considers various impairment indicators and whether any of these indicates existence of an impairment. If those indicators are met, a full impairment test is performed. At 31 December 2023, the Group considers that no formal indicators of impairment exist under the framework of IFRS 6 in respect of exploration and evaluation assets.

ii. Accounting for business combinations

Judgement is required in determining whether a transaction meets the criteria of a business combination under IFRS 3, and whether the associated assets acquired are identifiable and should be recorded separately from goodwill. An acquisition qualifies as a business combination when the assets and liabilities acquired include an input and a substantive process that together significantly contribute to the ability to create outputs.

b) Estimates and assumptions

i. Impairment of goodwill

The assessment the carrying value of goodwill includes a number of judgements and estimates exercised by management including assessment of future discounted cashflows or fair value less costs to sell.

When value-in-use calculations are undertaken, the Group estimates the expected future cashflows from the asset and chooses a suitable discount rate to calculate the present value of those cashflows. In undertaking these value-in-use calculations, the Group is required to make use of estimates and assumptions concerning the Group's future plans.

When fair value less costs to sell calculations are undertaken, the Group uses earnings multiples derived from observable market data from recent transactions within the relevant sector.

At 31 December 2023, the Group has not identified an impairment of goodwill.

ii. Fair value of investments in power projects

The assessment of the fair value of the investment in the Essakane power project includes a number of estimates exercised by management including the assessment of future discounted shareholder distribution cashflows that will be made by the Essakane power project from cash resources not retained for use locally.

The Group estimates the expected future cashflows from the asset and chooses a suitable discount rate to calculate the present value of those cashflows. In undertaking this value-in-use calculation, the Group is required to make use of estimates and assumptions concerning the Essakane power project's future production and cash flow.

3 REVENUE

	31 December 2023 US$000	31 December 2022 US$000
Supply of desalinated water	80	—

The Group's revenue is derived from one fixed price contract held by its Mauritian subsidiary, Oasis Water Limited, to provide desalinated water in Djibouti.

4 SEGMENTAL ANALYSIS

Following the full year adoption of the three pillars strategy, the Group has four reportable segments being Transitional Gas, Transitional Power, Green Hydrogen and corporate costs (2022: three being Transitional Gas, Transitional Power and Corporate). 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 2023	Transitional Gas US$000	Transitional Power US$000	Green Hydrogen US$000	Corporate US$000	Total US$000
Revenue	—	80	—	—	80
Share-based payments	—	(515)	—	(5,137)	(5,652)
Hydrogen and other business development costs	—	—	(1,285)	—	(1,285)
Administrative expenses	(703)	(2,456)	(324)	(5,197)	(8,680)
Finance income	73	24	—	105	202
Finance expense	(27)	—	—	(209)	(236)
Loss after taxation	(657)	(2,867)	(1,609)	(10,438)	(15,571)
Additions to non-current assets	11,176	253	—	1,345	12,774
Total assets	66,077	1,866	—	6,702	74,645
Total liabilities	(1,324)	(387)	—	(4,056)	(5,767)
Net assets	64,753	1,479	—	2,646	68,878

31 December 2022	Transitional Gas US$000	Transitional Power US$000	Corporate US$000	Total US$000
Share-based payments	—	(15)	(4,153)	(4,168)
Hydrogen and other business development costs	—	—	(1,704)	(1,704)
Administrative expenses	(516)	(2,521)	(5,441)	(8,478)
Finance income	12	—	62	74
Finance expense	—	(70)	(538)	(608)
Loss after taxation	(504)	(2,606)	(11,774)	(14,884)
Additions to non-current assets	20,290	366	21	20,677
Total assets	54,158	1,474	11,982	67,614
Total liabilities	(5,227)	(203)	(1,127)	(6,557)
Net assets	48,931	1,271	10,855	61,057

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

5 LOSS FROM OPERATIONS

	31 December 2023 US$000	31 December 2022 US$000
Loss from operations is stated after charging:		
Depreciation of property, plant and equipment	50	45
Depreciation of right-of-use asset	435	427
Share-based payments – Long Term Incentive Scheme	4,652	3,661
Share-based payments – Restricted Share Unit Scheme	485	492
Share-based payments – deferred consideration	15	15
Share-based payments – other arrangements	500	—
Share of post-tax losses of joint venture	17	14
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	119	108
Audit of the Company's subsidiaries pursuant to legislation	24	17
Total payable	**143**	**125**

6 EMPLOYMENT COSTS

Employees	31 December 2023 US$000	31 December 2022 US$000
Wages and salaries	4,613	3,863
Pension costs	459	413
Employee share-based payments arrangements	2,887	2,141
Sub-total	**7,959**	**6,417**
Capitalised to exploration costs	(2,275)	(2,189)
Total	**5,684**	**4,228**

Key management personnel	31 December 2023 US$000	31 December 2022 US$000
Wages, salaries and fees	2,248	2,481
Social security costs	261	304
Pension costs	60	52
Benefits	12	9
Employee share-based payments arrangements	2,264	2,027
Sub-total	**4,845**	**4,873**
Capitalised to exploration costs	(739)	(827)
Total	**4,106**	**4,046**

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 2023 US$000	31 December 2022 US$000
Foreign exchange gain	103	9
Bank interest receivable	99	65
Total	**202**	**74**

Finance expense	31 December 2023 US$000	31 December 2022 US$000
Foreign exchange loss	193	581
Finance expense on lease	43	27
Total	**236**	**608**

8 INVESTMENTS

The Company's principal subsidiary undertakings at 31 December 2023 and 31 December 2022, excluding dormant entities, were:

			Proportion of ownership at 31 December		Non-controlling interest ownership at 31 December	
Subsidiary undertaking	**Principal activity**	**Country of incorporation**	**2023**	2022	**2023**	2022
Chariot Oil & Gas Investments (Namibia) Limited	Holding company	Guernsey	**100%**	100%	**–**	–
Chariot Oil & Gas Investments (Morocco) Limited	Oil and gas exploration	Guernsey	**100%**	100%	**–**	–
Chariot Oil and Gas Statistics Limited	Service company	UK	**100%**	100%	**–**	–
Enigma Oil & Gas Exploration (Proprietary) Limited(1)	Oil and gas exploration	Namibia	**100%**	100%	**–**	–
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey	**100%**	100%	**–**	–
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil	**100%**	100%	**–**	–
Chariot Oil & Gas Finance (Brazil) Limited(1)	Service company	Guernsey	**100%**	100%	**–**	–
Chariot Oil & Gas Holdings (Morocco) Limited	Oil and gas exploration	UK	**100%**	100%	**–**	–
Chariot Rissana Limited	Oil and gas exploration	UK	**100%**	100%	**–**	–
Chariot Transitional Power Limited	Holding company and renewable energy solutions	UK	**100%**	100%	**–**	–
Chariot Transitional Power Holdings Limited(1)	Holding company	UK	**100%**	100%	**–**	–
Chariot Transitional Power France(1)	Holding company	France	**100%**	100%	**–**	–
Chariot Transitional Power Africa(1)	Renewable energy solutions	Mauritius	**100%**	100%	**–**	–
Chariot Transitional Power South Africa (Pty) Ltd(1)	Renewable energy solutions	South Africa	**100%**	100%	**–**	–
Oasis Water Limited(1), (2)	Renewable energy solutions	Mauritius	**74%**	70%	**26%**	30%
Quantum Solar Limited(1)	Holding company	UK	**100%**	100%	**–**	–
Chariot Green Hydrogen Limited	Green hydrogen solutions	UK	**100%**	–	**–**	–

(1) Indirect shareholding of the Company.

(2) An immaterial increase in ownership arising from the acquisition of ENEO Water PTE Limited's business and assets including its minority holding in Oasis Water Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

9 TAXATION

The Company is tax resident in the UK, however no tax charge arises due to taxable losses for the year (31 December 2022: US$Nil).

No taxation charge arises in Morocco or the Group subsidiaries as they have recorded taxable losses for the year.

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 2023 US$000	31 December 2022 US$000
Tax reconciliation		
Loss on ordinary activities for the year before tax	(15,571)	(14,884)
Loss on ordinary activities at the small profits rate of corporation tax in the UK of 19% (31 December 2022: 19%)	(2,958)	(2,828)
Non-deductible expenses	1,153	881
Deferred tax effect not recognised	1,805	1,947
Total taxation charge	**–**	–

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$12.4 million (31 December 2022: US$10.6 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 attributable to the equity holders of the parent is based on a loss of US$15,578,000 (31 December 2022: loss of US$14,882,000) and on 1,007,791,040 ordinary shares (31 December 2022: 891,215,431) being the weighted average number of ordinary shares in issue during the year. Potentially dilutive share awards are detailed in note 27, 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 EVALUATION ASSETS

	31 December 2023 US$000	31 December 2022 US$000
Net book value brought forward	**51,795**	**31,750**
Additions	11,161	20,286
Transferred to inventory	–	(241)
Net book value carried forward	**62,956**	**51,795**

The Group has two cost pools being the Offshore Moroccan geographical area and the Onshore Moroccan geographical area. As at 31 December 2023, the net book value of the Offshore Moroccan geographical area is US$61.8 million (31 December 2022: US$51.8 million), and the Onshore Moroccan geographical area is US$1.2 million (31 December 2022: US$Nil).

On 7 December 2023, the Group announced a Sale and Purchase Agreement to sell a portion of its interest in, and transfer operatorship of the Lixus Offshore Licence, where the Anchois gas development project is located, and the Rissana Offshore licence in Morocco, to Energean plc group ('Energean'). As further detailed in note 29, completion of the agreement was announced on 10 April 2024.

12 GOODWILL

	Goodwill US$000
Gross carrying amount at 31 December 2021	380
Balance at 31 December 2022 and 31 December 2023	**380**

The goodwill balance US$380,000 relates to the acquisition of Africa Energy Management Platform in 2021 and reflects the intellectual property, management team and customer relationships acquired through the business combination now contained in the Transitional Power segment.

The Group tests cash-generating units with goodwill annually for impairment, or more frequently if there is an indication that a cash-generating unit to which goodwill has been allocated may be impaired. The recoverable amount of a cash generating unit is the higher of the cash-generating unit's fair value less cost of disposal and its value-in-use.

Fair value less cost of disposal has been used to assess the recoverable amount of the Group's goodwill. Fair value less cost of disposal is determined using earnings multiples derived from observable market data from recent transactions within the solar and wind sector. The fair value measurement is categorised as a level 2 fair value based on the inputs in the valuation techniques used.

13 INVESTMENT IN POWER PROJECTS

	31 December 2023 US$000	31 December 2022 US$000
Essakane power project	**334**	448

The Group's investment in power projects represents its 10% project equity holding in the Essakane power project. The investment is fair valued at each reporting date and has been classified within level 3 of the hierarchy (as defined in IFRS 13) as the investment is not traded and contains unobservable inputs. Due to the nature of the investment, it is always expected to be classified as level 3. There have been no transfers between levels during the year ended 31 December 2023.

Valuations are derived using a discounted cash flow methodology and reflect the annual forecast shareholder distributions resulting from net available cash of the Essakane power project over its lifetime, and a risk adjusted discount rate.

Significant unobservable input	Sensitivity of the fair value measurement to input
Discount rate	An increase in the discount rate would decrease the fair value and a decrease in the discount rate would increase the fair value of the asset.
Shareholder distributions	An increase in the forecast shareholder distributions would increase the fair value and a decrease in the forecast shareholder distributions would decrease the fair value of the asset.

The sensitivities above are assumed to be independent of each other. There were no changes to valuation techniques in the period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

14 NON-CONTROLLING INTERESTS

Oasis Water Limited, a subsidiary of the Group, has immaterial non-controlling interests ("NCI"). Summarised financial information in relation to Oasis Water Limited, before intra-group eliminations, is presented below together with amounts attributable to NCI:

For the period ended 31 December	31 December 2023 US$000	31 December 2022 US$000
Revenue	80	—
Administrative expenses	(52)	(6)
Profit/(loss) before and after tax	**28**	**(6)**
Profit/(loss) allocated to NCI	**7**	**(2)**
Other comprehensive income allocated to NCI	—	—
Total comprehensive income/(loss) allocated to NCI	**7**	**(2)**
Cash inflows from operating activities	25	216
Cash outflows from investing activities	(380)	(215)
Cash inflows from financing activities	390	—
Net cash inflows	**35**	**1**
As at 31 December		
ASSETS		
Property, plant and equipment	580	348
Trade and other receivables	29	1
Cash and cash equivalents	36	1
LIABILITIES		
Trade and other payables	(621)	(355)
Accumulated non-controlling interests	**5**	**(2)**

15 JOINT VENTURES

At 31 December 2023, the Group has a 24.99% interest in Etana Energy (Pty) Limited, which is a separate structured vehicle incorporated and operating in South Africa. The primary activity of Etana Energy (Pty) Limited is to hold an electricity trading licence. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Etana Energy (Pty) Limited. Under IFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

SUMMARISED FINANCIAL INFORMATION

Period ended 31 December	2023 US$000	2022 US$000
Loss from continuing operations	(69)	(57)
Other comprehensive income	—	—
Total comprehensive (loss)/ income (100%)	**(69)**	**(57)**
Group's share of comprehensive (loss)/income (24.99%)	**(17)**	**(14)**
Investments in equity-accounted joint ventures		
Opening balance	5	—
Shareholder loan to Etana in the year	70	19
Group's share of comprehensive income for the year (included in administrative expenses)	(17)	(14)
Closing balance	**58**	**5**

As detailed in note 29, in the post balance sheet period the Group increased its interest in Etana Energy (Pty) Limited to 49%. Following the transaction, the Group will continue to account for its interest using the equity method.

16 PROPERTY, PLANT AND EQUIPMENT

	Fixtures, fittings and equipment US$000	Energy plant and equipment	Assets in the course of construction US$000	Total US$000
COST				
At 1 January 2022	1,428	—	—	1,428
Additions	40	—	349	389
At 31 December 2022	**1,468**	**—**	**349**	**1,817**
At 1 January 2023	1,468	—	349	1,817
Additions	22	—	246	268
Transfer on completion of construction	—	595	(595)	—
At 31 December 2023	**1,490**	**595**	**—**	**2,085**
DEPRECIATION				
At 1 January 2022	1,344	—	—	1,344
Charge	45	—	—	45
At 31 December 2022	**1,389**	**—**	**—**	**1,389**
At 1 January 2023	1,389	—	—	1,389
Charge	35	15	—	50
At 31 December 2023	**1,424**	**15**	**—**	**1,439**
Net book value 1 January 2022	84	—	—	84
Net book value 31 December 2022	79	—	349	428
Net book value 31 December 2023	**66**	**580**	**—**	**646**

The net book value of energy, plant and equipment relates to the operational desalination plant in Djibouti owned by a subsidiary of the Group, Oasis Water Limited, whose results are reported within the Transitional Power segment.

17 TRADE AND OTHER RECEIVABLES

	31 December 2023 US$000	31 December 2022 US$000
Other receivables and prepayments	**1,263**	**755**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

18 INVENTORY

	31 December 2023 US$000	31 December 2022 US$000
Wellheads and casing	**1,808**	**1,424**

Inventory is held and retained for use in future drilling campaigns.

19 CASH AND CASH EQUIVALENTS

Analysis by currency	31 December 2023 US$000	31 December 2022 US$000
US Dollar	4,449	5,475
Euro	121	209
Sterling	1,315	6,254
Moroccan Dirham	19	51
Other	112	63
	6,016	**12,052**

As at 31 December 2023, US$4.6 million of 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 2023, the cash balance of US$6.0 million (31 December 2022: US$12.1 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2023 US$000	31 December 2022 US$000
Moroccan licenses	1,050	750
	1,050	**750**

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

20 LEASES

The lease relates to the UK office. The Group renegotiated the contractual terms of the lease during the year which increased the lease term by three years (2022: renegotiated a one-year extension). The lease liability was remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

RIGHT-OF-USE ASSET:

	31 December 2023 US$000	31 December 2022 US$000
Brought forward	332	328
Effect of modification to lease terms	1,345	431
Depreciation	(435)	(427)
Carried forward	**1,242**	**332**

LEASE LIABILITY:

	31 December 2023 US$000	31 December 2022 US$000
Current	430	359
Non-current	908	—
Total lease liability	**1,338**	**359**

The interest expense on lease liabilities during the year to 31 December 2023 was US$43,000 (2022: US$27,000) and the total cash outflow was US$475,000 (2022: US$501,000).

The maturity analysis of the lease liability at 31 December 2023 is as follows:

	31 December 2023 US$000	31 December 2022 US$000
Maturity analysis – contractual undiscounted cashflows		
Less than one year	522	372
Between one and two years	522	—
Between two and three years	436	—
Total undiscounted lease liabilities	1,480	372
Effect of interest	(142)	(13)
Total lease liability	**1,338**	**359**

21 TRADE AND OTHER PAYABLES

	31 December 2023 US$000	31 December 2022 US$000
Trade payables	2,229	2,264
Accruals	2,200	3,934
	4,429	**6,198**

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

22 SHARE CAPITAL

	Allotted, called up and fully paid			
	31 December 2023		31 December 2022	
	Number	US$000	Number	US$000
Ordinary shares of 1p each(1)	**1,073,269,384**	**15,714**	959,841,091	14,263

(1) 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 share awards, the date of grant and not subsequently retranslated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

22 SHARE CAPITAL CONTINUED

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

Date	Description	Price US$	No. of shares
31 December 2021			759,587,023
31 January 2022	Issue of shares at £0.055 relating to underwriting commitment	0.07	33,742,396
3 March 2022	Issue of shares at £0.055 relating to underwriting commitment	0.07	33,742,396
13 June 2022	Issue of shares at £0.18 in placing, subscription, open offer and fees	0.22	130,930,606
10 August 2022	Issue of share award	0.08	833,333
10 August 2022	Issue of share award	0.30	18,533
10 August 2022	Issue of share award	0.30	212,000
10 August 2022	Issue of share award	0.10	72,463
10 August 2022	Issue of share award	0.16	109,795
15 September 2022	Issue of share award	0.50	70,098
15 September 2022	Issue of share award	0.12	76,313
15 September 2022	Issue of share award	0.20	76,313
15 September 2022	Issue of share award	0.05	119,438
15 September 2022	Issue of share award	0.23	137,050
21 October 2022	Issue of share award	0.12	13,750
21 October 2022	Issue of share award	0.20	11,250
21 October 2022	Issue of share award	0.19	9,343
12 December 2022	Issue of share award	0.20	16,250
12 December 2022	Issue of share award	0.05	43,750
12 December 2022	Issue of share award	0.21	18,991
31 December 2022			**959,841,091**
24 February 2023	Issue to ENEO Water PTE Limited	0.22	2,267,694
17 April 2023	Issue of contingent consideration for acquisition of AEMP	0.07	1,585,678
3 August 2023	Issue of shares at £0.14 in placing, subscription, open offer and fees	0.18	106,246,564
17 August 2023	Issue of share award	0.08	1,333,334
17 August 2023	Issue of share award	0.22	1,332,095
17 August 2023	Issue of share award	0.18	662,928
31 December 2023			**1,073,269,384**

23 OTHER COMPONENTS OF EQUITY

The details of other components of equity are as follows:

	Contributed equity US$000	Shares to be issued reserve US$000	Foreign exchange reserve US$000	Total US$000
As at 1 January 2022	**796**	**142**	—	**938**
Loss for the year	—	—	—	—
Other comprehensive loss	—	—	(3)	(3)
Loss and total comprehensive loss for the year	—	—	(3)	(3)
As at 31 December 2022	**796**	**142**	**(3)**	**935**

	Contributed equity US$000	Shares to be issued reserve US$000	Foreign exchange reserve US$000	Total US$000
As at 1 January 2023	796	142	(3)	935
Loss for the year	—	—	—	—
Other comprehensive loss	—	—	(14)	(14)
Loss and total comprehensive loss for the year	—	—	(14)	(14)
Transfer of reserves due to lapsed share-based deferred consideration	—	(142)	—	(142)
As at 31 December 2023	**796**	**—**	**(17)**	**779**

24 RESERVES

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

Reserve	Description and purpose
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based payments reserve	Amount representing the cumulative charge recognised under IFRS 2 in respect of share option, LTIP and RSU schemes.
Contributed equity	Amount representing equity contributed by the shareholders
Shares to be issued reserve	Deferred consideration on acquisition recognised in equity
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.

25 RELATED PARTY TRANSACTIONS

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

Kinsella Consulting Limited, a company of which Adonis Pouroulis is a Director, incurred costs on behalf of Chariot Limited for which it was reimbursed during the year of US$1,706 (31 December 2022: US$18,452). The amount outstanding as at 31 December 2023 was US$Nil (31 December 2022: US$Nil).

As detailed in note 28, on 1 January 2024, the Group completed its acquisition of Neura Group's interest in Etana Energy (Pty) Limited. Adonis Pouroulis beneficially controls 28.21% of the total voting rights in the Neura Group.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

26 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 ended 31 December 2023, no trading in financial instruments was undertaken (31 December 2022: 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 cashflows 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 bank Barclays, on fixed short-term deposits. The credit ratings of the main relationship bank the Group holds cash with do not fall below A or equivalent. 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 Sterling, Euro and Moroccan Dirham to meet other non-US Dollar industry costs and ongoing corporate and overhead commitments.

At the year end, the Group had cash balances of US$6.0 million (31 December 2022: US$12.1 million) as detailed in note 19.

Other than the non-US Dollar cash balances described in note 19, 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$157,000 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 2022: US$658,000).

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. For further details of the Group's position, please refer to the going concern paragraph in note 2 of these accounts.

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.

For further details of the Group's position, please refer to the going concern paragraph in note 2 of these accounts.

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 Group will put in place measures that it has assessed as prudent to mitigate the risk of default by the other party. This could consist of instruments such as bank guarantees and Parent Company guarantees.

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.

27 SHARE-BASED PAYMENTS

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 or otherwise specified will vest three years from the end of the year or the period to which the award relates.

The Group recognised a charge under the plan for the year to 31 December 2023 of US$4,652,000 (31 December 2022: US$3,661,000).

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

	31 December 2023 Number of awards	31 December 2022 Number of awards
Outstanding at beginning of the year	**68,538,410**	28,242,865
Granted during the year	8,413,066	40,888,091
Shares issued for no consideration during the year	(3,328,357)	(592,546)
Lapsed during year	(500,000)	—
Outstanding at the end of the year	**73,123,119**	68,538,410
Exercisable at the end of the year	**32,187,495**	14,754,985

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 within a fixed period on 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 2023 of US$485,000 (31 December 2022: US$492,000).

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

	31 December 2023 Number of awards	31 December 2022 Number of awards
Outstanding at beginning of the year	**11,037,280**	8,755,156
Granted during the year	427,723	3,528,248
Lapsed	(4,880,210)	—
Shares issued for no consideration during the year	—	(1,246,124)
Outstanding at the end of the year	**6,584,793**	11,037,280
Exercisable at the end of the year	**2,300,602**	4,251,485

POST-ACQUISITION SHARE-BASED PAYMENT CHARGES

AFRICA ENERGY MANAGEMENT PLATFORM ("AEMP")

During the year, contingent payments settled through the issue of 1,588,678 new ordinary shares were made to key members of the Chariot Transitional Power Africa team regarding the acquisition of the business of Africa Energy Management Platform in June 2021.

Retention and target conditions attached to the issuance of the remaining contingent payments were extended until 22 March 2024. The modification of the non-market performance and retention conditions did not impact the fair value after the modification. As at 31 December 2023, remaining contingent payments representing a maximum of 2,378,514 new ordinary shares are payable to the same key members of the Chariot Transitional Power Africa team. These contingent payments have been recognised as share-based payments in the Consolidated Statement of Comprehensive Income over the retention period.

The Group recognised a charge of US$15,000 in the year to 31 December 2023 (31 December 2022: US$15,000).

OTHER SHARE-BASED PAYMENTS ARRANGEMENTS

ENEO WATER PTE LIMITED ("ENEO")

On 27 January 2023, the Group entered into an agreement for the acquisition of the business and loan receivable assets of an independent water producer, ENEO Water PTE Limited, an African company founded and partially owned by key members of the Chariot Transitional Power Africa team, focused on delivering clean water solutions using renewable energy.

On 24 February 2023, the Company issued 2,267,694 new ordinary shares to ENEO Water Pte Limited for the successful financial close of the Djibouti water project, recognising a charge of US$0.5 million in the year to 31 December 2023.

The agreement includes contingent payments linked to the achievement of financial close on pipeline projects payable in Chariot's ordinary shares. As at 31 December 2023, remaining contingent payments representing a maximum of 1,824,595 new ordinary shares are potentially payable to ENEO Water Pte Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

28 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 2023, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2022: 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.

29 EVENTS AFTER THE BALANCE SHEET DATE

The Directors consider these events to be non-adjusting post balance sheet events.

COMPLETION OF PARTNERING AGREEMENT WITH ENERGEAN GROUP PLC

On 7 December 2023, the Group announced a Sale and Purchase Agreement to sell a portion of its interest in, and transfer operatorship of the Lixus Offshore Licence, where the Anchois gas development project is located, and the Rissana Offshore licence in Morocco, to Energean plc group ('Energean'). Completion of the agreement occurred in the post balance sheet period and was announced on 10 April 2024.

Following the post balance sheet completion, the Group's interest in the Lixus licence is 30% (Energean: 45%) and in the Rissana licence is 37.5% (Energean: 45%). The Office National des Hydrocarbures et des Mines retains its 25% carried interest in both licences.

The Group received US$10 million on completion of the transaction, and will receive a further US$15 million subject to reaching Anchois Final Investment Decision ("FID"), and a US$85 million gross carry including all Lixus costs up to FID which is repayable from 50% of Chariot's future net sales revenues from the Lixus licence with a coupon of 7% over the one year Secured Overnight Financing Rate ("SOFR"). Planned Rissana seismic acquisition costs are separately capped at US$7 million.

Following completion of the Anchois well, Energean have the right to acquire a further 10% of the Group's equity in the Lixus licence for US$50 million 5-year zero coupon convertible loan note with a strike price of £20 adjusted down for dividends or issuance of three million Energean plc shares, at the Group's option on FID, a US$850 million gross development carry to first gas (including the US$85 million gross carry), and a 7% royalty payment on Energean's gas production revenues in excess of a base hurdle on the realised gas price (post-transportation costs).

INCREASED HOLDING IN ETANA ENERGY (PTY) LIMITED

On 1 January 2024, the Group completed the transaction to increase its holding in Etana Energy (Pty) Limited from 24.99% to 49%. Contemporaneously, H1 Holdings (Pty) Limited ("H1") has increased its holding from 26% to 51%. The transaction involves the Group and H1 in substance acquiring the 49% interest in Etana Energy (Pty) Limited previously held by the Neura Group, on identical pro rata terms.

Upfront net cash consideration of US$0.3 million was paid on completion with a further net c.US$0.7 million paid in April 2024.

Future success based contingent payments are payable of net c.US$1.6 million on financial close of a 250MW generation project and a further consideration of net c.US$2.6 million payable in 2028, subject to further significant generation projects reaching financial close.

Following the transaction, the Group will continue to account for its interest in Etana Energy (Pty) Limited in the consolidated financial statements using the equity method.

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