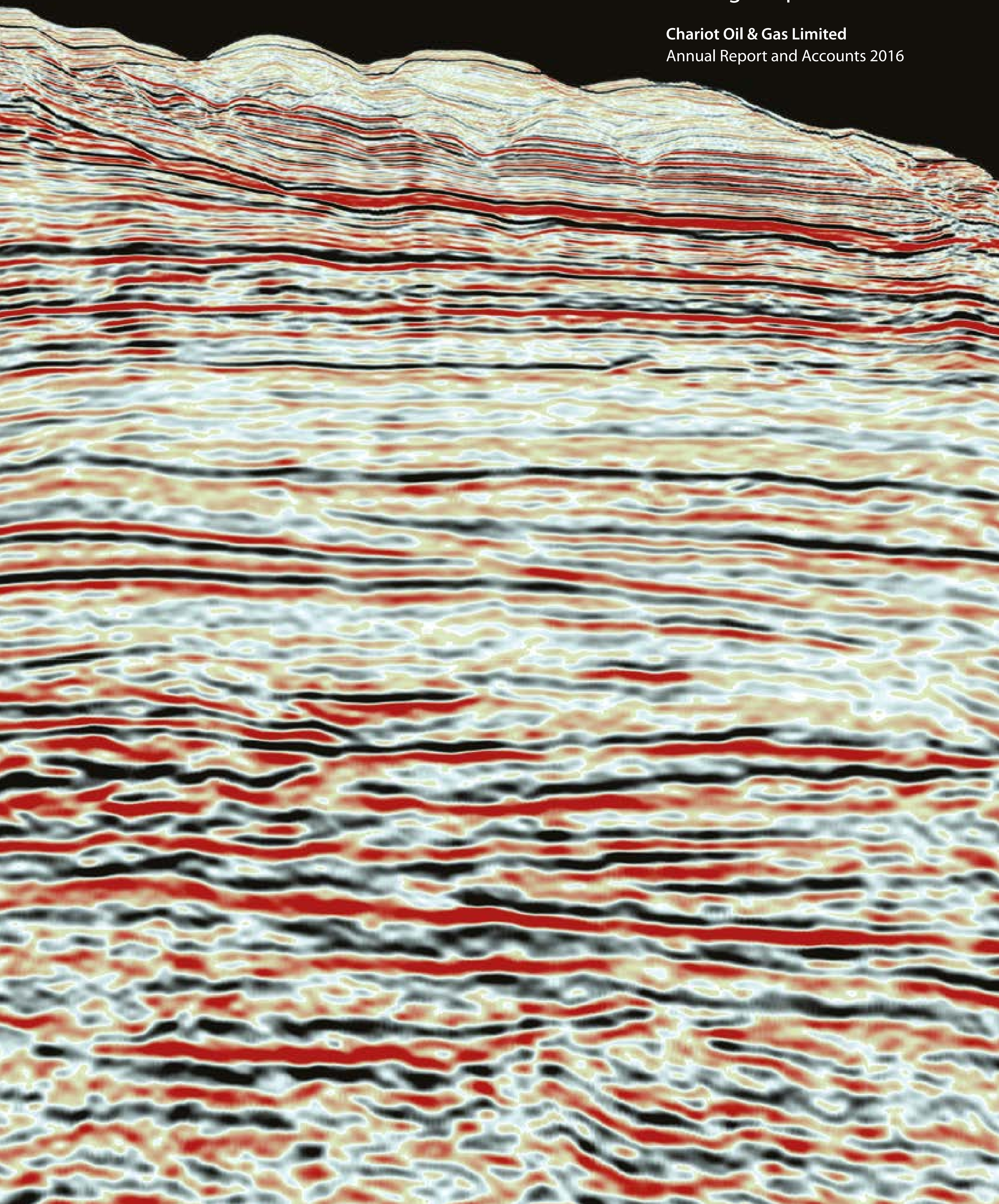
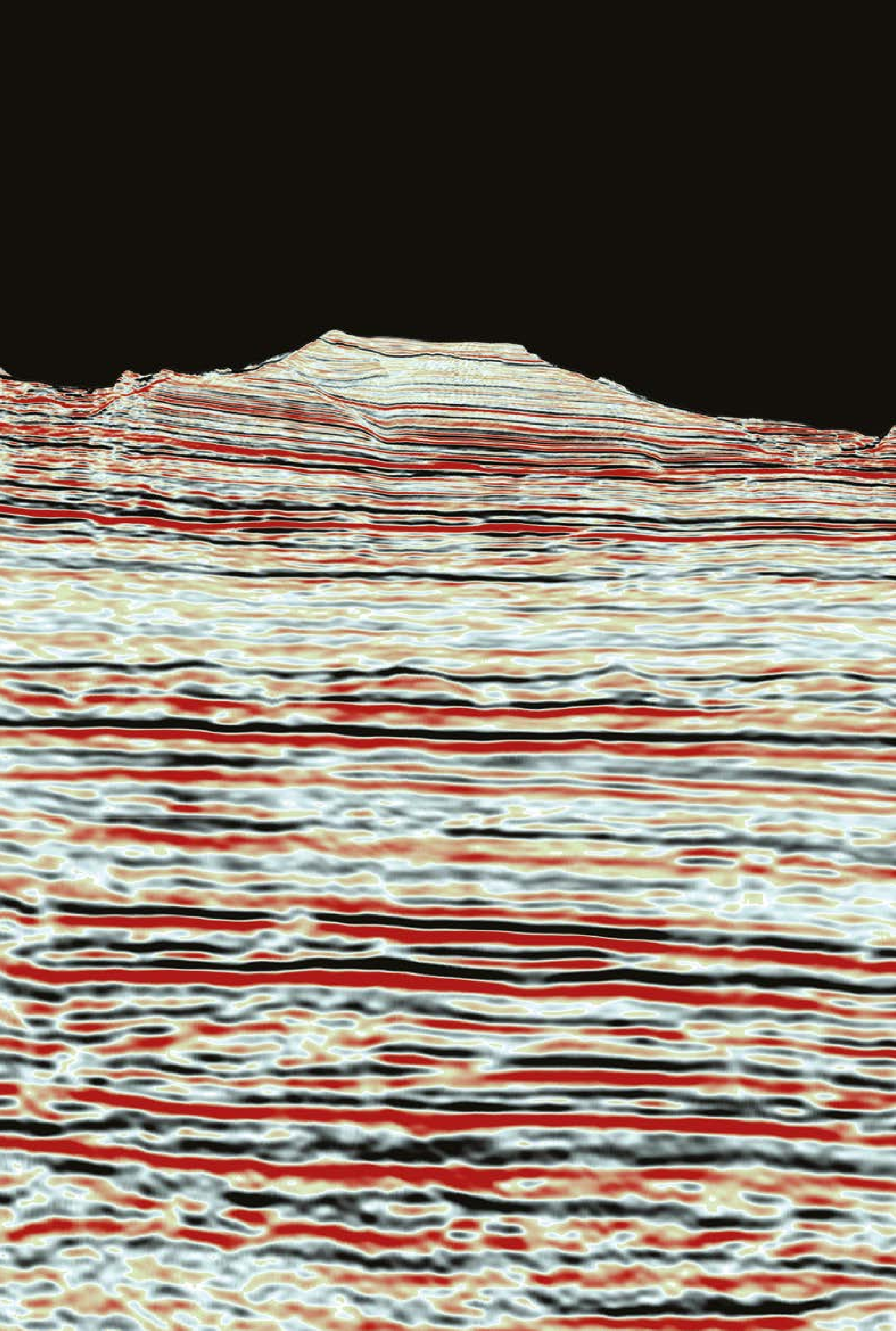
CHARIOT
OIL & GAS

Transformational Growth Through Exploration

Chariot Oil & Gas Limited
Annual Report and Accounts 2016



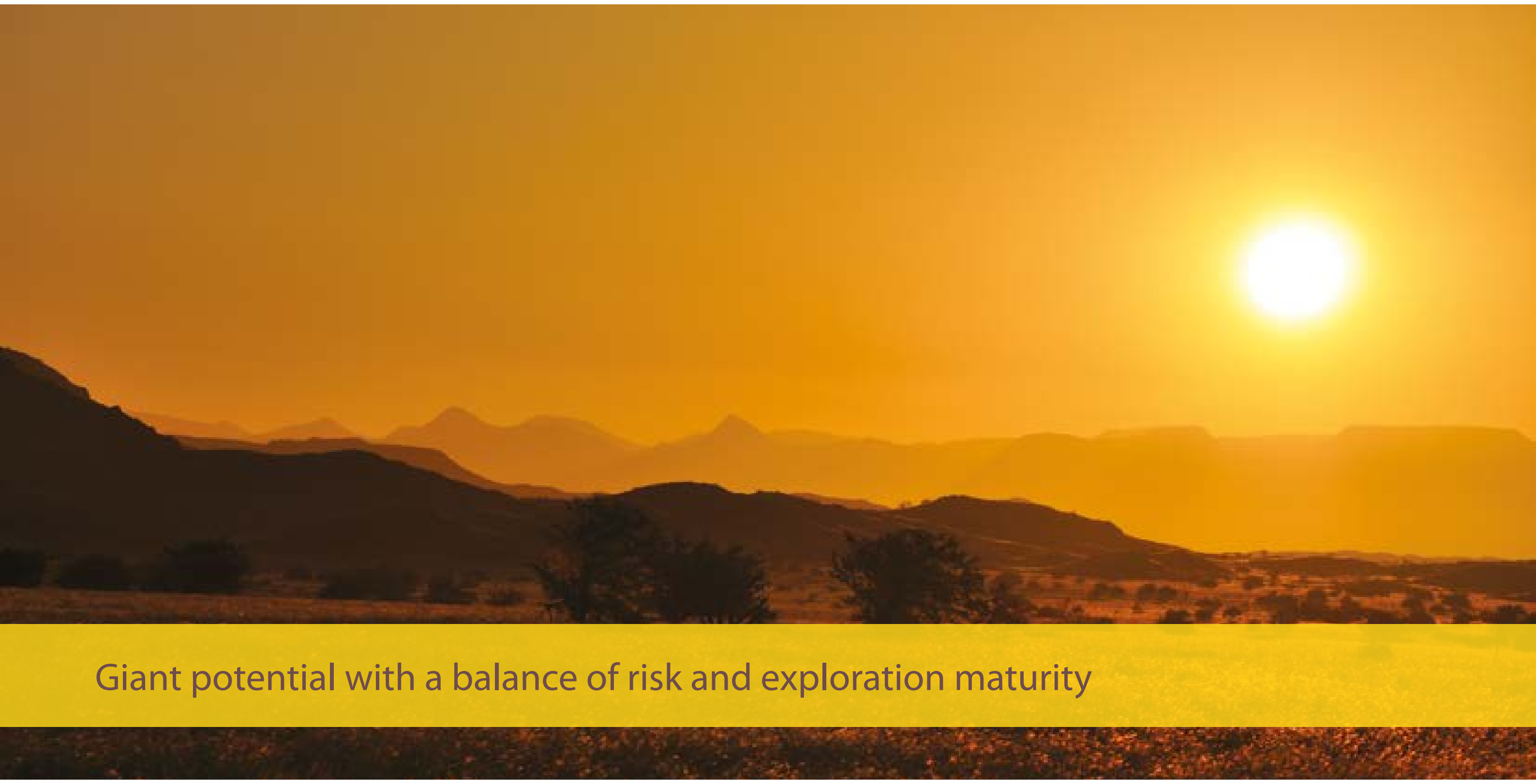


Chariot Oil & Gas

"Our focus on risk management has been imperative in maintaining the Company's robust position during this lower for longer oil price environment. Through our continued data acquisition and ongoing analysis we have built a drilling inventory with four giant priority prospects, each with follow on potential. Using the additional information provided from our recent operational activity and newly acquired acreage we intend to continue to refine and develop this, with the aim of drilling three wells within the next two years. Owing to the technical capabilities of our team, our regional positioning and prudent approach to capital management we have now achieved our zero cost aspiration on one of our assets and look forward to the drilling of the giant JP-1 prospect in the coming year. Whilst we remain cognisant of the continued lower oil price environment, our aim is to seek further partners to share in the drilling of our portfolio. At the same time, we will continue to manage and de-risk the rest of the portfolio and screen additional opportunities that will add to the long-term development of our Company's value. 2017 is an exciting year and we look forward to updating our shareholders with our progress."

Larry Bottomley
Chief Executive Officer

Overview



About Chariot Oil & Gas

Chariot is an independent AIM-listed Atlantic margins oil and gas exploration company focused on creating transformational stakeholder value through the discovery of material accumulations of hydrocarbons.

- Three licences offshore Morocco
- Four licences offshore Brazil
- Three licences covering four blocks offshore Namibia

Near-Term Value Triggers

- Drilling RD-1 in Morocco planned for 2018 with gross mean prospective resources of 768mmbbls*, 77mmbbls net to Chariot
- Aim is to drill three wells within the next two years

* Audited by Netherland Sewell and Associates Inc. ("NSAI")
** Subject to acquiring partners and funding

Transformational Growth through Exploration

High Impact Atlantic Margins Explorer

- Giant potential in an extensive portfolio of prospects and leads
- Each asset has material follow-on potential and large running room
- Four drill-ready** prospects, one of which is already funded
- Each prospect has the potential to create transformational value

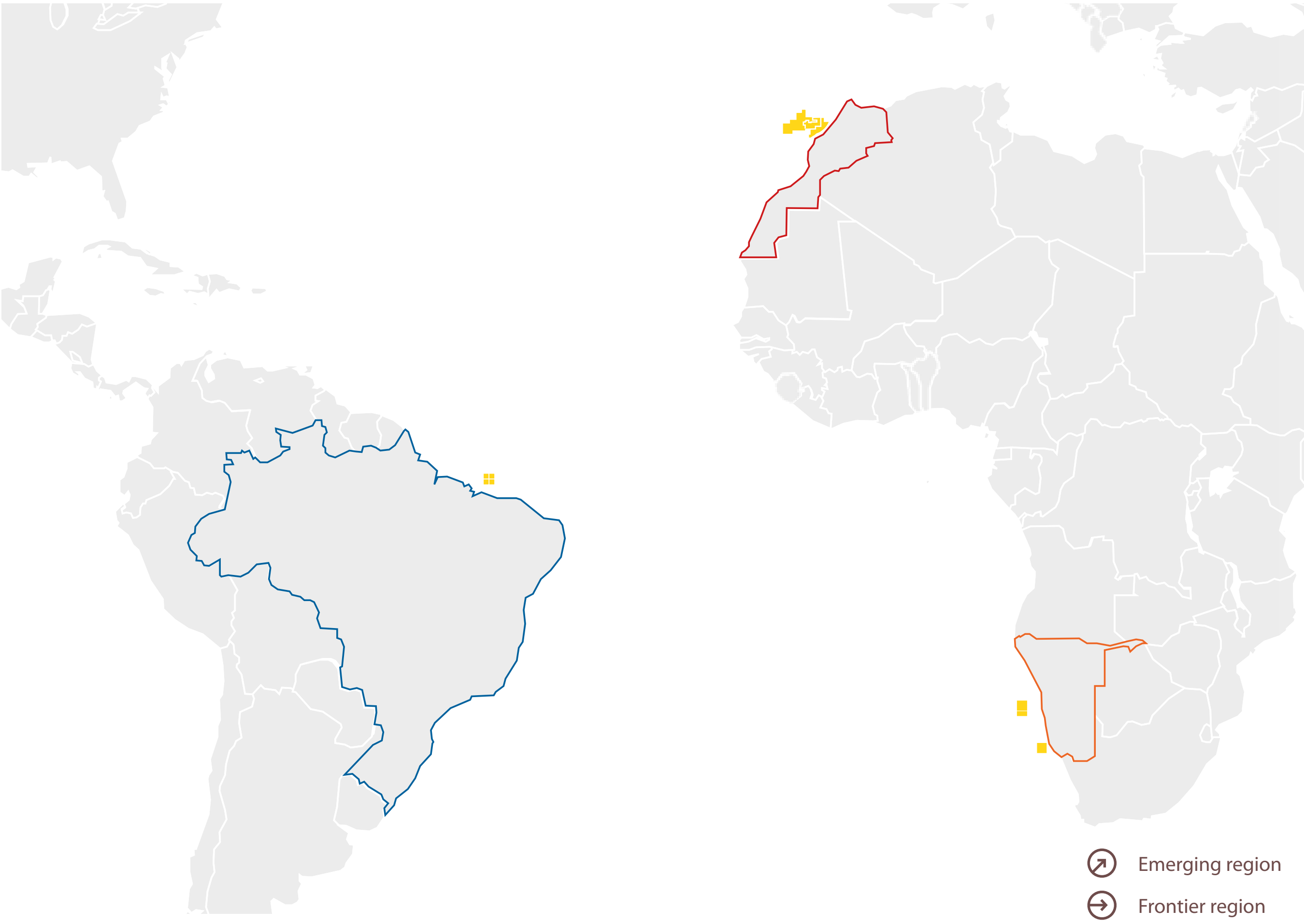
Team Focused on Maximising Value

- Experienced team managing technical, commercial and financial risk
- Demonstrated capital discipline
- Focused on delivering shareholder value through the early monetisation of discoveries

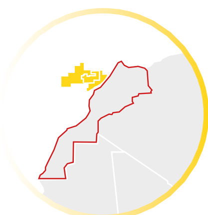
Strong Balance Sheet

- Cash position exceeds work programme commitments
- No debt
- Prudent financial management

Where We Are

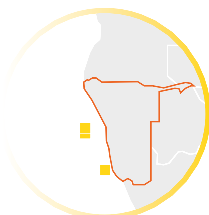


Morocco



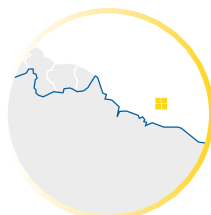
Morocco
Drill-ready Inventory
Prospective Resources
768mmbbls*
350mmbbls*

Namibia



Namibia
Drill-ready Inventory
Prospective Resources
469mmbbls*
8.1Tcf*

Brazil



Brazil
Lead Inventory
Prospective Resources
300-500mmbbls**

* Netherland Sewell and Associates Inc. ("NSAI") estimate of gross mean prospective resources ** Internal Chariot estimate

Highlights

Corporate Highlights

Robust balance sheet – no debt with year-end cash position of US$25.0 million, exceeding all work programme commitments

Zero cost aspiration achieved with completed Eni farm-out in Rabat Deep, Morocco: secured funding to drill the JP-1 prospect (768mmbbls*), expected in Q1 2018

Drill-ready inventory with four prospects identified – individually transformational even at lower oil prices

Awarded Mohammedia Offshore and Kenitra Offshore, Morocco to capture follow-on potential on RD-1 well

Acquisition of substantial seismic programmes in Namibia, Brazil and Morocco to continue to mature the portfolio at advantageous rates

Operational Highlights on page 07

Outlook 2017

Progress the maturation of the current portfolio using de-risking strategy

Continuing dataroom programmes to secure funding for the delivery of transformational value through drilling three wells in the next two years

Focus on capital discipline

Use expert team to identify optimum potential within the current portfolio

Apply opportunistic approach towards new ventures

Giant Potential

Portfolio of drill-ready assets in emerging and frontier basins

- A range of play types and investment opportunities
- Water depths range from 350m-1,100m in basins with benign metocean conditions and normal pressure/temperature regimes – lower deepwater exploration and development costs expected
- Priority drilling candidates all have material follow-on targets and running room in the success case
- Material scale, excellent commercial terms and lower costs result in high margin assets with robust economics

Drilling Inventory	Target Potential	Water Depth	Play Type	Follow-on Potential
RD-1 (Rabat Deep) Well carry secured	768mmbbls*	1,100m	Jurassic carbonate reservoir Jurassic source	6 leads (208 – 1,041 mmbbls*) JP-2 (Mohammedia) (117 mmbbls*)
LKP-1a (Mohammedia)	350mmbbls*	350m	Lower Cretaceous deltaic clastic reservoir Jurassic source	3 prospects (182 – 289 mmbbls*) summed mean>1Bnbbls
Prospect B (Central Blocks)	469mmbbls*	1,100m	Upper Cretaceous turbidite clastic reservoir Apto-Barremian source	Prospect D (416mmbbls*) Prospects S,T,U,V & W
A01 (Southern Blocks)	8.1Tcf*	400m	Aptian clastic onlap reservoir Apto-Barremian source	AO2 (2.2Tcf*)

* Netherland Sewell and Associates Inc. ("NSAI") estimate of gross mean prospective resources

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for more information:
www.chariotoilandgas.com

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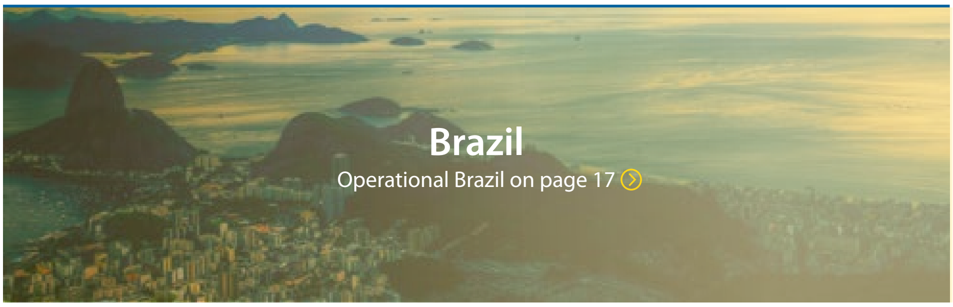


Financial Statements

How We Run Our Business

Goal

Chariot's goal is to create transformational stakeholder value through the discovery of material accumulations of hydrocarbons.

Strategy

Chariot's in-house technical team identifies and accesses early stage, giant potential exploration opportunities in new and emerging basins. It de-risks these assets through the application of the latest technology and looks to secure partners at each investment phase whilst also retaining material equity within the licence, in its aspiration for zero cost exploration. From this the Company has created a pipeline of high margin, de-risked giant potential drilling opportunities. On delivering drilling success, Chariot intends to return transformational shareholder value through the early monetisation of discoveries whilst also investing in continuing the value cycle.

Chariot's Value Creation Cycle and Focused Strategy

Access

- Secure large acreage positions in new and emerging basins
- Take operated position in the early phases to maintain control over destiny
- Build a diversity of basins and plays
- Retain broad portfolio and risk profile

De-risk

- Position the portfolio as a fast follower
- Apply appropriate risk reduction technologies
- Levered partnering at investment phases
- Maintain portfolio diversity and management
- Maintain capital discipline

Drill

- Build a Drill-ready Inventory: RD-1; LKP-1a; prospect B; AO1
- Accelerate the drilling programme : RD-1 Q1 2018
- Return transformational shareholder value by the early monetisation of discoveries

Delivery

The challenges faced by the oil and gas sector continue to affect the entire industry. Within the current environment Chariot has continued to focus on developing its assets and delivering on its strategy whilst seeking to manage risk and create value over the longer term. It has focused on three key areas in order to maintain its ability to prosper in these market conditions: access, de-risk, drill.

Targets for 2017 and Beyond

Using our expert team and continued focus on risk management we aim to progress the portfolio towards realising its transformational potential. Having succeeded in securing a partner for the JP-1 well in 2018, in the coming year we will focus on seeking funding partners to fulfil our goal of drilling three wells within the next two years. At the same time, it is imperative that we continue to apply our strategic focus to manage, progress and evaluate the less mature parts of our portfolio to build on the Company's long-term outlook with additional de-risked giant prospects. In addition we will continue our opportunistic screening process for potential value add opportunities that could contribute to the balancing of the risk profile and giant potential of our asset base.

Track Record of Delivery

Access

- Expanded portfolio to high potential, new and emerging basins characterised by flexible work programmes and excellent contract commercial terms
- Currently operator of all but one licence – with operatorship transferred for drilling
- Assets in three countries, four basins and five plays in six licence areas

De-risk

- De-risked multiple assets at low cost through seismic partnering and third party drilling
- Levered partnering with major industry players: Eni, Woodside, Cairn, BP and Petrobras
- Actively managed the portfolio with both relinquishments and acquisitions
- Demonstrated capital discipline, reducing annual cash overhead from US$9.4 million in 2013 to US$5.0 million in 2016

Drill

- Demonstrated operational capability by successfully operating a deep water well and multiple seismic programmes
- Built a giant-scale drill-ready inventory of high quality opportunities using in-house skills and experience – key to success in farm-outs
- Four drill-ready prospects, all transformational in the "lower for longer" oil price environment
- Secured a capped carry on one funded well, expected to be drilled in Q1 2018

Outlook – Positioned for Growth

- Aim is to drill three wells over the next two years*
- Route to delivery is through Chariot's rigorous partnering process
- Looking to capitalise on the current sector environment
- Ongoing evaluation of potential opportunities to broaden and balance the risk profile
- Seeking to create transformational value and generate sustainable growth over the longer term

* Subject to acquiring partners and funding

Chairman's Statement

"Despite the lower for longer price environment, our portfolio remains transformational and we look to the coming year with great optimism and confidence. The Company remains in a robust financial position and now has four, clearly delineated, drillable prospects – one of which has already attracted high quality industry drilling partners, Woodside and Eni."

George Canjar
Chairman

Over the past year we have continued to encounter challenging and volatile market conditions. While this environment has exposed weaknesses within the industry, it has concurrently highlighted the capabilities of Chariot to use these same external circumstances to its strategic advantage. Chariot's continued technical execution, focus on capital discipline and risk management have resulted in significant portfolio maturation despite this difficult business environment. Specifically, the Company remains in a robust financial position and now has four, clearly delineated, drillable prospects – one of which has already attracted high quality industry drilling partners, Woodside and Eni. Diligent attention to technical excellence, capital efficiency and risk management guided our small but exceptional team through the difficult choices necessary over the last year. Those decisions have resulted in concrete progress in the Company's strategic plan and we now stand in a strong position as we look to the coming year.

Demonstrated Capital Discipline

A major component in Chariot's ability to withstand recent market conditions is its focus on capital discipline in every part of its exploration programme. Chariot has a robust balance sheet with no debt and a cash position of US$25.0 million at year-end. Following the completion of its current Moroccan seismic programme, there are no remaining licence funding commitments from Chariot across the portfolio. Looking back to the beginning of 2013 when the current management team took the helm, the Company had a cash position of US$68.3 million and has since invested US$95.8 million. This four year journey towards portfolio maturation and financial stability is a significant achievement. Some extremely difficult decisions have had to be made as the lower for longer oil price environment has continued. Following the equity fundraising in 2014 and subsequent farm-in recoveries from partnering, the continued exposure to the upstream industry downturn required strategic foresight and planning. The significant reduction of industry exploration capital combined with risk averse equity markets dictated that capital preservation become dominant for the Company. To this end, in May 2016, we made the decision to look beyond the 2015 50% pay cut of the Board, and to implement a more significant Company restructuring, retaining only the core technical, corporate and financial capabilities of the team – resulting in the cutting of the annual cash overhead from US$9.4 million in 2013 to US$5.0 million at the end of this year.

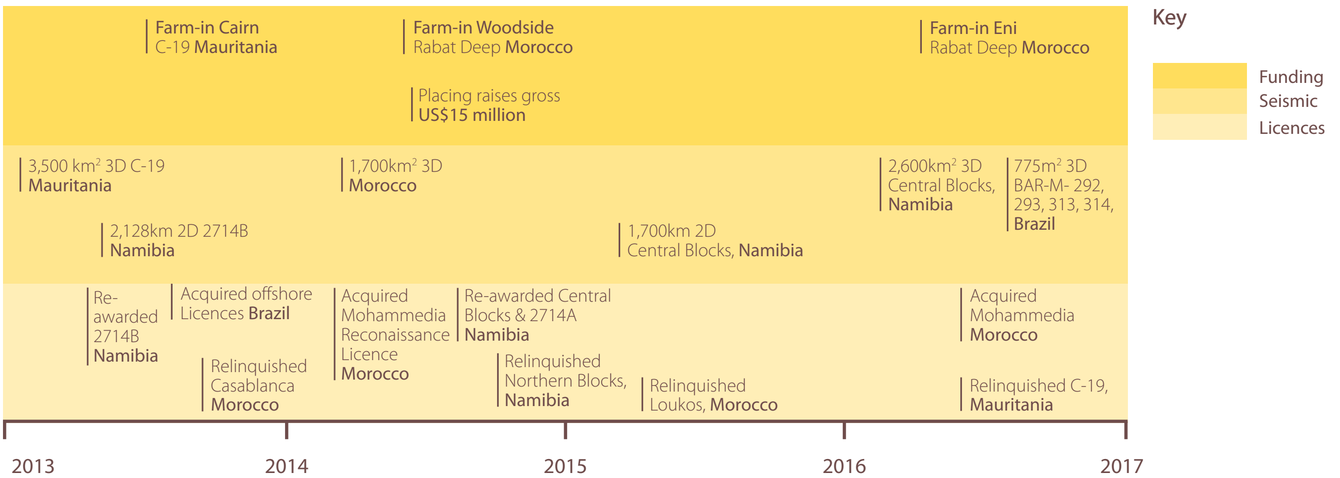
In times such as this, it is tempting to put exploration expenditure completely on hold. However, Chariot firmly believes that it is critical to continue the maturation of its portfolio in order to build for the longer-term return of the market appetite for high-impact exploration. As a result, during this year we have continued to take advantage of lower seismic costs, achieving rates less than half of the price of tenders received 2012-2015. In 2016, extensive 3D programmes were acquired, processed and are currently being interpreted in Brazil, with the analysis complete on the data shot in the Central Blocks, Namibia. The Company continues to realise these savings, most recently via a rigorous tendering process for its current 2D and 3D seismic programme on the Mohammedia and Kenitra exploration permits, secured in June 2016 and February 2017 respectively.

Successful Partnering

Partnering provides third party validation on the prospectivity and potential of our assets. The process minimises exposure to the highest risk events and also positions the Company at the ideal working interest going forward in the appraisal and development phases. This year, even as companies continue to reduce their exploration budgets, Chariot has continued to attract interest in its datarooms from major industry players, culminating in the post-period completion of the farm-out of Rabat Deep, Morocco, to Eni.

This accomplishment in such a challenging environment is an example of Chariot's ability to deliver its aspiration for zero cost exploration. This ideal outcome may not always be attained, however, by having it as a focused goal of each licence, it ensures that we consider capital discipline and risk management at each investment phase of the portfolio. For illustration, Chariot entered Rabat Deep in the early phase of exploration and initially farmed down part of its 75% stake in the asset to Woodside – who took a 25% interest in the acreage in return for paying 100% of the 3D seismic survey (and other back costs). From this survey and using its proprietary in-depth technical analysis, the team identified and de-risked the 200km^2 four-way dip closure labelled JP-1. This Jurassic carbonate prospect has a gross mean prospective resource estimate of 768mmbbls (NSAI). Such giant prospectivity

Timeline of Activity



within relatively shallow deepwater meant that the asset remains attractive even at lower oil price projections. Our subsequent dataroom had a number of interested parties and following negotiations, due diligence and ministerial approval we were pleased to announce the transfer of operatorship of the licence to Eni post period-end. This final transaction results in a drilling partnership of Eni 40%, Woodside 25% and Chariot 10% interest and illustrates separate multiphase partnering steps that achieved zero cost exploration. Given the size of the prospect, Chariot's 10% equity share, in the success case, remains transformational to shareholders. It is anticipated that, further to completing the Environmental Impact Assessment, finalising well planning and securing a rig, drilling for JP-1 (the RD-1 well) will occur in early 2018.

We believe that farm-ins of this calibre provide validation of the potential that Chariot sees in the licence. The Company continues to host seismic and drilling datarooms in the remaining portfolio with the intention of securing further partners to share in the risk and reward of exploration. The aim is then to reinvest back costs in furthering the portfolio to create a sustainable pipeline of drilling opportunities. A drilling dataroom is currently open on the Southern and Central Blocks, Namibia, Mohammedia and Kenitra in Morocco and due to open following the completed interpretation of 3D data in the Brazilian acreage in H2 2017.

Governance

This year's focused effort on capital discipline and a continued reduction in the annual cash overhead led to the streamlining of our team and Board at the same time as maintaining corporate, financial and technical expertise within the Company. This resulted in departures of many valued staff.

I would particularly like to thank those Board members who stood down in 2016: Matthew Taylor, Dave Bodecott and Bill Trojan for their contribution to the Company's technical projects and their strategic guidance. Of note, Matthew Taylor made significant impact over many years, with the initial development of the Company's portfolio, his input in growing our knowledge base and in building the reputation for technical excellence that Chariot has within the industry today. His ongoing support as an advisor is invaluable as the Company develops the portfolio and we look forward to continuing this relationship as our assets mature towards drilling.

At Board level, we continue in-depth technical reviews of each asset as well as paying particular attention to our financial position and portfolio direction. All committees continue to meet regularly and we believe that the diligence at Board level creates a culture that feeds throughout the rest of the team and supports the delivery of best practice corporate governance standards in everything that we do.

Regional Relationships

Crucial to Chariot's continued progress is the relationships that it has built with each of its partners. Regular meetings to share technical and operational developments within each region facilitate communication and processes at all levels – from government to local empowerment partners and service companies. It is thanks to the continued support of these entities, particularly the Governments and Energy Ministries and their respective national oil companies, that Chariot has been able to mature its portfolio and seek partnerships for the next stages of exploration. We look forward to continuing to build these strong relationships with the common goal to realise these underexplored regions' potential.

Positive Outlook

While the business environment remains challenging, the team has and will remain focused on the core elements of its strategy to achieve our vision of creating transformational value through exploration. We will continue to employ risk reduction strategies within strict budgets guidelines, and utilise disciplined decision making processes to ensure for the continued strength of the Company. Our assets have and continue to be carefully selected, maintained and matured to maximise their value to forge further partnerships. Despite the lower for longer price environment, our portfolio remains transformational and we look to the coming year with great optimism and confidence.

George Canjar
Chairman
14 March 2017

Chief Executive Officer's Review

"Through our continued data acquisition and ongoing analysis we have built a drilling inventory with four giant priority prospects, each with follow-on potential. Using the additional information provided from our recent operational activity and newly acquired acreage we intend to continue to refine and develop this, with the aim of drilling three wells within the next two years."

Larry Bottomley
Chief Executive Officer

2016 saw Chariot develop its portfolio further towards its goal for the delivery of transformational growth. Through our continued strict adherence to our risk management strategy we have been able to continue to invest in the portfolio and apply the appropriate risk reduction technologies whilst maintaining a robust cash balance.

With our drilling campaign due to commence in the coming year, we believe that we are now one step closer to the realisation of our portfolio potential. At the same time, we have continued to grow and manage our asset base with strategic discipline: securing additional prospectivity with the Mohammedia and Kenitra exploration permits in Morocco; maturing the portfolio in these permits and the Southern blocks of Namibia as well as acquiring extensive seismic programmes in Namibia and Brazil and currently Morocco – fulfilling all commitments.

In the coming year, we will continue to focus on seeking funding to deliver our target of three wells within the next two years. At the same time, it is imperative that we continue to manage and evaluate the less mature parts of our portfolio to build on the Company's long term outlook with additional de-risked transformational prospects.

High Quality Portfolio – Transformational Value even in a Lower Oil Price Environment

Whilst Chariot's strategic application is key to being able to deliver on its portfolio goals, it is the quality of the portfolio that will be the ultimate indicator of our success. Within the Atlantic Margins, where the Chariot team has extensive experience, we have sought to ensure that we have a range of risk and a range of maturity with assets in three countries, across four basins with five plays identified in the different licence areas.

Despite the different historical and current exploration maturity, each asset is characterised by giant potential, flexible work programmes and excellent contract and commercial terms. Our current drilling inventory contains four high-graded prospects ranging from 350mmbbls to 768mmbbls gross mean prospective resources (NSAI) as well as a giant gas opportunity exceeding 8Tcf (NSAI), all with the opportunity for significant follow-on potential.

"A high-margin portfolio which remains attractive in lower oil prices"

Whilst each of these targets offers a range of play types and investment opportunities, they all fall in the lower cost regime for deepwater projects. By this we mean that each of our prospects is within normal temperature and pressure regimes, in deepwater operating environments of 350m to 1,100m and in basins unlikely to be affected by challenging metocean conditions. As a result of this lower cost regime, excellent contract commercial terms and large prospective resource we can offer assets with high margin and very robust economics to potential partners in the success case, each with material follow-on potential, despite the lower oil price environment.

Technical De-risking, the Key to our Partnering Success

To get the portfolio to this point has taken considerable commercial, corporate and technical input. Whilst the potential reward of our exploration campaigns is transformational, there is inherent high risk to entering regions that are underexplored. It is therefore necessary that we apply our rigorous technical de-risking methodology to the best of our ability. This involves the careful analysis of legacy data prior to entering a licence, the acquisition and interpretation of our own extensive data programmes as well as integrating information provided from ongoing third parties' exploration programmes.

A key component of this technical risk reduction comes from the evaluation of the extensive 3D seismic programmes that Chariot acquires over the high graded parts of its acreage. As mentioned in the Chairman's Statement, in the current business environment Chariot has been cautious in the allocation of capital; however the Company has been bold in investing in the acquisition of large volumes of 3D seismic to capitalise on the favourable market rates to accelerate the maturation of the portfolio and deliver a larger drilling inventory. During 2016, programmes were acquired in the Central blocks in Namibia and Chariot's blocks in the Barreirinhas basin, and post period-end the Company has continued this investment in data with the current 2D and 3D seismic programmes over Kenitra and Mohammedia.

The technical description of these data is key to attracting partners to participate in the ongoing exploration programmes, which will include drilling.

It is the identification and access of prospective areas and the subsequent characterisation of this prospectivity through proprietary 3D seismic data that we believe stands us as a frontrunner in technical risk reduction and capital discipline within the areas where we operate. In turn, this process has enabled us to develop the excellent reputation that we have within the industry and to attract high calibre industry interest in our datarooms.

Active Management of the Portfolio to Select and Prioritise the Best Opportunities for Drilling

The focus of the continued investment in each of its assets is driven by the Company's ultimate goal, to achieve a drilling campaign with transformational upside potential at low to no risk to the Company. This requires careful and sometimes challenging decision making when it comes to the management of the portfolio.

For example, in June 2016, Chariot opted not to enter into the First Renewal Phase of the C-19 licence offshore Mauritania. Despite believing this acreage to be prospective, without a second partner to participate in the drilling phase within the required timeframe, the Company decided not to take the financial and exploration risk of furthering its investment in this licence. Of note, despite investing in 3,500km^2 of proprietary 3D seismic data, extensive reprocessing of legacy 2D data and completing seabed coring, through securing Cairn as a seismic partner on the asset during the First Exploration Phase, the Company succeeded in achieving near zero cost exploration on the licence.

This management of the portfolio also works in line with the longer term vision of the Company, whereby it seeks to identify assets that have the capacity for adding to the drilling programme further along the value cycle. Using its proprietary data and the knowledge database gathered by its in-house team over several years, Chariot is able to capitalise on its technical understanding within its regions of exploration. This can be seen in the awards in Morocco of a 75% equity interest in the Mohammedia Offshore licence in June 2016 and in the Kenitra Offshore licence post period-end. These assets sit adjacent to the Company's Rabat Deep exploration permits where Chariot had previously identified a number of proven and potential play systems from 2D and 3D seismic data that it had acquired, processed and interpreted in 2014. Whilst holding giant potential in their own right with the JP-2, LKP-1 and the Kenitra leads, their proximity to the drilling of JP-1 will provide significant insight and de-risked follow-on potential in the success case. The data acquired from the current seismic campaign will be used to mature these leads to drillable prospects, for which the Company will then seek partners for the next phase of exploration.

Capitalising on the Business Environment in the Near Term to Prepare for the Long Term

Fundamental to the continued technical evaluation and what lies at the very core of our successful partnering capabilities is not only the team's geological understanding and expertise, but also the ability to capitalise on current market conditions and undertake operational activity at reduced cost.

Whilst the Company aims to access its large scale acreage early enough to benefit from the attractive licence terms, it also looks to profit from those who already have seismic or drilling commitments in region. As such, as well as capitalising on the costs of its own programmes, owing to the relationships that the Company has built and technical insight to the operations within the countries it works in, it is able to develop a broader understanding of the petroleum systems in the regions in which it operates at low cost. This can be seen, for example, with the Company's decision to participate in the ION NamibiaSPAN 2D survey in 2015 across Namibia from which the subsequent integration of this data with our own understanding of the region resulted in the confirmation of the high risk, material gas prospect AO1 (over 8Tcf gross mean prospective resources (NSAI)). A partnering process has been initiated for this region with the aim of tapping into the longer-term view on the industry's appetite for high quality, material prospects.

We believe that it is our capital discipline, used in conjunction with our opportunistic approach towards operational investments that contributes towards our technical de-risking that will, in the long term, offer the potential for the realisation of the portfolio's giant potential.

Operational Highlights

Morocco see page 14

- Zero cost aspiration achieved with completed Eni farm–out in Rabat Deep: secured a capped carry on one funded well, JP-1 prospect (768mmbbls gross mean prospective resources) to be drilled in Q1, 2018
- Award of Mohammedia Offshore, secured the LKP prospects that show significant follow-on potential in the success case of JP-1
- Award of Kenitra Offshore, capturing the LKP prospects that extend from Mohammedia into this region
- Further 2D and 3D seismic initiated across Mohammedia and Kenitra permits, fulfilling all commitments

Namibia see page 16

- CPR confirms prospectivity on Southern Blocks – dataroom open for drilling partner participation for AO1 (8.1Tcf)
- 2,600km^2 3D seismic acquired and processed and interpretation complete in Central Blocks, fulfilling all commitments – dataroom open with aim of securing a partner for drilling the best prospect from the matured portfolio

Brazil see page 17

- 775km^2 3D seismic acquired and processed and currently being interpreted, fulfilling all commitments
- Clear turbidite reservoir geometries extending from shallow-water identified on fast track data, a dataroom will be opened for a drilling partner on the refined prospectivity following completion of this analysis

Chief Executive Officer's Review continued

Timeline of Activity – 2017 and Beyond

		2017 1H	2017 2H	2018 1H	2018 2H	2019 1H
Morocco						
Rabat Deep; Zero Cost Carried Well	10%			Drill RD-1 JP-1 768mmbbls**		
Mohammedia Kenitra; Seismic Commitment	75%	2D 3D	Well partnering		Drilling* LKP-1a 350mmbbls**	Drilling* Kenitra-A 464mmbbls***
Namibia						
Central Blocks 2312 & 2412A; Option acreage, No remaining commitments	65%	3D Interpretation	Well partnering		Drilling* Prospect B 469mmbbls**	
Southern Blocks 2714A&B; Option acreage, No remaining commitments	85%	Well partnering		Drilling* AO1 8.1Tcf**		
Brazil						
BAR-M-292, BAR-M-293, BAR-M-313, BAR-M-314; Option acreage, No remaining commitments	100%	3D Interpretation	Well partnering			Drilling* Lead potential 300-500mmbbls***
New Ventures		Evaluation of new venture opportunities				

* Subject to acquiring partners and funding

** Netherland Sewell and Associates Inc. ("NSAI") estimate of gross mean prospective resources

*** Internal Chariot estimate

New Venture Opportunities

Whilst the Company has developed a drill-ready inventory of high margin targets in a diversity of plays, each with substantial follow-on potential, it remains open to seeking additional growth opportunities in order to reduce the Company's risk profile. During this time of economic uncertainty and with Chariot's relative stability within this, it has the advantage of being able to look to capitalise on potential value accretive assets and to broaden the portfolio through the addition of lower risk opportunities. Throughout this year we have continued to apply our rigorous screening criteria to consider appropriate producing, potential development and exploration new ventures to fit with our portfolio. We have screened a large number of assets and, owing to our position of strength, have had the privilege of ensuring that we will not engage in a transaction unless we believe it to genuinely have the opportunity for adding value. This strategy will continue to be applied in the coming year.

Outlook: Realising Potential

The development of a high quality and diverse portfolio, with extensive data and continued interest from third parties reflect not only the team's technical, commercial and corporate capabilities but also the strength of the risk reduction strategies that we adhere to. Through these core values the Company is able to continue to mature the portfolio, whilst also embarking on its drilling campaign in its pursuit of bringing transformational value to its shareholders through the discovery of material reserves.

It is through maintaining our focus on capital discipline whilst carefully selecting the operational investments that will improve our technical understanding and ability to secure partners. This partnering is required to take the Company through to the next phase, where we intend to realise the potential of our giant-scale drill-ready inventory of high quality opportunities. The route to delivery of the three wells that we intend to drill within the next two years will, as with RD-1, be partnering, and this will be a core focus for the team in the coming year.

Our Team

I would like to join the Chairman in saying that it was with great regret that the continued oil price environment required us to re-size the team and Board. This was a very carefully thought-out process and taken in order to significantly reduce our overall annual cash overhead whilst also focusing on retaining our core exploration expertise, operating capability and project delivery. The Company would not be where it is today without the hard work, diligence and expertise contributed at both the broader team and Board level and I would like to thank all those that have contributed to the Company over the years, and all those that continue to work towards its future.

One of Chariot's key success factors is the strength of its technical team. We believe that it is the capability and creativity of our in-house team that allows us to identify and access acreage, deliver work programmes to mature that acreage and to secure partners. In this current economic climate, there are fewer companies with exploration budgets and still many companies looking to gain investment in their portfolio and there is no doubt that it is down to the quality of our team's work that we have been able to again deliver a major industry partnership this year. Furthermore the preservation of capital comes from an attitude toward our work that involves rigorous tendering processes and ongoing negotiations, all of which would not be possible without the hard work of our team members.

It is this proven track record, and the team's continued dedication to ensuring the best possible technical work that enables us to look forward to the continued delivery of partnerships, the application of our capital discipline and the subsequent potential realisation of transformational value.

Summary: Positioned to Achieve Transformational Growth

Our technical application, prudent capital discipline and management of the portfolio over the last few years has laid the foundations of a strong company with a portfolio of assets capable of delivering transformational growth. Whilst we remain cognisant of the challenges that remain in the sector, we will continue our strict risk reduction focus whilst working towards the next phase of the Company's development: the realisation of transformational growth through the drill bit with the aim to drill three wells in the next two years.

Larry Bottomley
Chief Executive Officer
14 March 2017

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

Chief Financial Officer's Review

"During 2016 the Group continued with the development of its portfolio and business by investing c.US$17 million into its exploration portfolio and administration activities. The Group continues to have a robust balance sheet with no debt and cash of US$25.0 million at 31 December 2016, significantly in excess of our remaining licence commitments."

Julian Maurice-Williams
Chief Financial Officer

Funding and Liquidity as at 31 December 2016

The Group continues to have a robust balance sheet with no debt and cash of US$25.0 million at 31 December 2016 (31 December 2015: US$39.7 million) which is significantly in excess of our remaining licence commitments.

In 2016, in response to the lower for longer oil price environment, we took the difficult decision to reduce the size of our Board and team, whilst ensuring that we continued to retain our core in-house technical and commercial staff. This restructuring has enabled Chariot to cut its annual cash overhead, before any recovery from partners, to US$5.0 million down from US$9.4 million back in 2013.

We have also continued our capital discipline with rigorous tendering processes in respect of seismic and other suppliers to capitalise on historically low rates whilst also actively managing our portfolio to focus our cash on licences where we are able to complete partnering, as illustrated by not entering the next exploration period for the C-19 licence in Mauritania.

During 2016 the Group continued with the development of its portfolio and business by investing c.US$17 million into its exploration portfolio and administration activities (31 December 2015: c.US$13 million) primarily in 3D seismic campaigns in Brazil and Namibia.

As at 31 December 2016, US$6.2 million of the Group's cash balances were held as security against licence work commitments. This is a reduction from US$11.0 million at 31 December 2015 mainly due to the almost complete release of funds held in relation to the 3D seismic commitment in Brazil that was satisfied in March 2016.

Financial Performance – Year Ended 31 December 2016

The Group's loss after tax for the year to 31 December 2016 was US$6.8 million, which is US$8.1 million lower than the US$14.9 million loss incurred for the year ended 31 December 2015.

The majority of this US$8.1 million decrease in the annual loss is due to a reduction in other administrative expenses of US$0.9 million and a realised foreign exchange gain on non-US$ denominated currency of US$1.6 million compared to a loss of US$3.9 million in the prior year. This equates to a loss per share of US$(0.03) compared to a loss per share of US$(0.06) in 2015.

The share based payments charge of US$0.8 million for the year ended 31 December 2016 was US$0.3 million lower than the US$1.1 million in the previous year due to the vesting of historic employee deferred share awards.

Other administrative expenses of US$3.5 million for the year ended 31 December 2016 is US$0.9 million lower due to the reduction in the Board and personnel and other costs savings (31 December 2015: US$4.4 million).

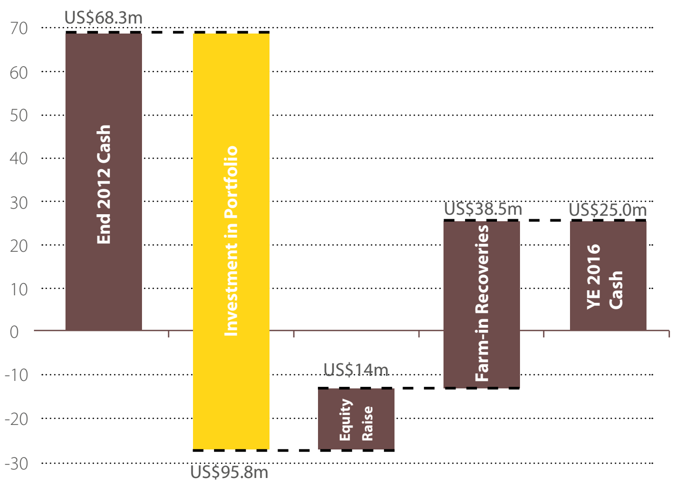
The finance income and expense net gain of US$2.8 million (31 December 2015: US$2.6 million net loss) comprises interest on cash and foreign exchange movements on non-US$ cash.

Interest income of US$1.2 million for the year ended 31 December 2016 is predominantly on Brazilian Real cash balances and is broadly consistent with the prior year (31 December 2015: US$1.3 million).

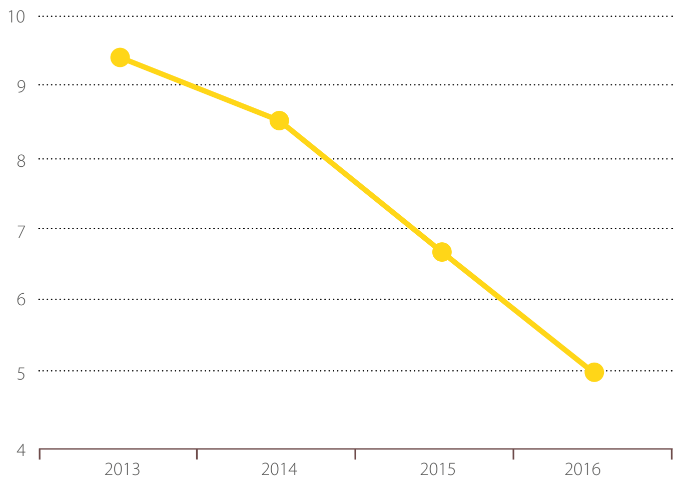
The foreign exchange gain on non-US$ cash of US$1.6 million for the year ended 31 December 2016 is predominantly on cash which was held as security against licence work commitments in Brazil (31 December 2015: US$3.9 million loss). This gain was due to the strengthening of the Brazilian Real in 2016 compared to it weakening in 2015 and was crystallised around the 2016 year end when, subsequent to the completion of the Brazilian seismic campaign, the security against the Brazilian Real cash was almost completely released and the bulk of the Brazilian Real cash was converted into US Dollars.

US$**25.0** million
Cash at 31 December 2016

Prudent Financial Management 2013 to Date



Reduction in Annual Cash Overhead 2013 to Date



The tax expense of US$0.2 million in the year to 31 December 2016 is consistent with the prior year (31 December 2015: US$0.2 million) and relates to local taxation levied on the Group's interest income in Brazil.

Exploration and Appraisal Assets as at 31 December 2016

During the year to 31 December 2016, the carrying value of the Group's exploration and appraisal assets increased by US$11.3 million to US$119.7 million from US$108.4 million as at 31 December 2015. This US$11.3 million increase was due to the US$16.5 million of portfolio investment undertaken in 2016 partly offset by a US$5.2 million impairment due to the decision not to enter the next period of C-19 licence in Mauritania.

The US$16.5 million portfolio investment is split as follows: in Namibia, US$6.2 million was incurred across all the Group's licences, with the majority relating to the 3D seismic survey; in Brazil, US$9.1 million was incurred mainly on the 3D seismic survey; and in Morocco and Mauritania, US$1.2 million was incurred mainly on internal G&G work and other costs.

Other Assets and Liabilities as at 31 December 2016

The Group's inventory balance of US$0.9 million as at 31 December 2016, which relates to wellheads and casings, is unchanged on the prior year.

All contractual commitments and planned work programmes fully funded

As at 31 December 2016, 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$3.5 million (31 December 2015: US$0.9 million) with the increase primarily due to outstanding payables for the seismic campaigns in Brazil and Namibia.

Outlook

With US$25.0 million of cash and no debt at 31 December 2016, the Group is well funded and in January 2017 this balance sheet was further bolstered by the recovery of back costs following the completion of the Eni farm-out of the Rabat Deep licence in Morocco, showing our ability to continue to achieve our zero cost aspiration on our licences even in these constrained times.

Despite a Company restructure, by retaining our core team and strong balance sheet we are able to act quickly where we identify opportunities, as illustrated by the recent award of the Kenitra licence in Morocco, where we have captured the prospectivity that extends from our existing acreage. We have also continued to take advantage of historically low seismic rates so that we progress assets towards drilling as quickly as possible.

We believe that 2017 is going to be an exciting year at Chariot as we look ahead to opening drilling data-rooms across our portfolio and to preparations for the RD-1 well anticipated to be drilled in early 2018.

We will look to continue to capitalise on relevant opportunities using Chariot's almost unique position of a strong balance sheet and experienced, industry respected, in-house team.

Julian Maurice-Williams
Chief Financial Officer
14 March 2017

Exploration Manager's Review of Operations

"Chariot focuses on acquiring large acreage positions in new or frontier basins which still have the potential for material discoveries owing to their lack of exploration maturity and which typically are licensed with excellent contract and commercial terms. Success at the drill bit will deliver transformational value to Chariot shareholders."

Duncan Wallace
Exploration Manager

Chariot focuses on acquiring large acreage positions in new or frontier basins which still have the potential for material discoveries owing to their lack of exploration maturity and which typically are licensed with excellent contract and commercial terms. This has become of increasing importance during the prevailing business environment of lower oil prices.

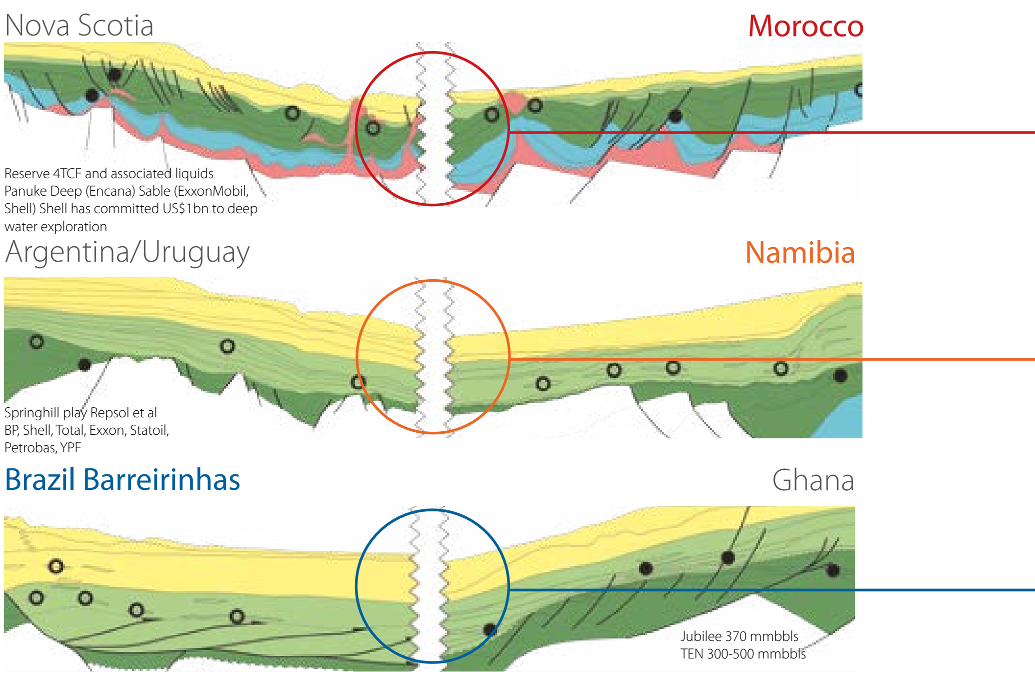
Early stage exploration for giant opportunities carries high technical risk and we have aimed to mitigate this risk through acquiring diverse assets within a range of basins and of varied exploration maturity. Through the evaluation of geological and seismic data completed to date we now have an inventory of four high-graded drill-ready prospects ranging from 350mmbbls to 768mmbbls gross mean prospective resources (NSAI). We have a number of additional leads that we will be maturing to prospects from recent and current 3D seismic programmes across the entirety of the portfolio that we anticipate will be added to the drill-ready inventory and may become candidate drilling opportunities for the next phase of investment.

We continue our active screening process to consider additional assets of suitable fit to the portfolio for the continued growth trajectory of our asset base. It is through this management of our near-term projects as well as the preparation for our long-term sustainability that we believe we will be in the best position for realising the potential within our Atlantic Margin focus area.

Exploring Pangea – our Focus on the Atlantic Margins

Our ability to identify prospective areas within these regions of relative immaturity is due to the geological similarities that can be seen across the Atlantic basins, a region in which our team has significant experience. Following the fragmentation of Pangea, the supercontinent that broke up over millions of years to form the present continents and oceans as we know them today, the Atlantic margins subsided and developed the ingredients for active petroleum systems. This is typically owing to the continued deposition of fine-grained sediments in the deeper basin areas to provide source and seal formations, along with the punctuated input of continentally derived sandstones and development of shallow marine carbonates to provide reservoirs.

Exploring Pangea



Through this reconstruction of the opening of the Atlantic, the opposing areas on either side of the Atlantic (conjugate margins) are considered to contain similar properties and it is using this understanding that the team has been able to leverage its knowledge base and to carefully select its current portfolio.

Of particular interest, through the acquisition of large 3D seismic surveys and the application of the latest processing technology, we are able to identify large structural and stratigraphic traps (with the possibility of giant prospectivity) in data-poor areas, where they used to be considered rare. As well as developing the understanding of our own extensive regional seismic datasets, we have continued to learn from third party activity in neighbouring areas in order to integrate this information into our own interpretation work.

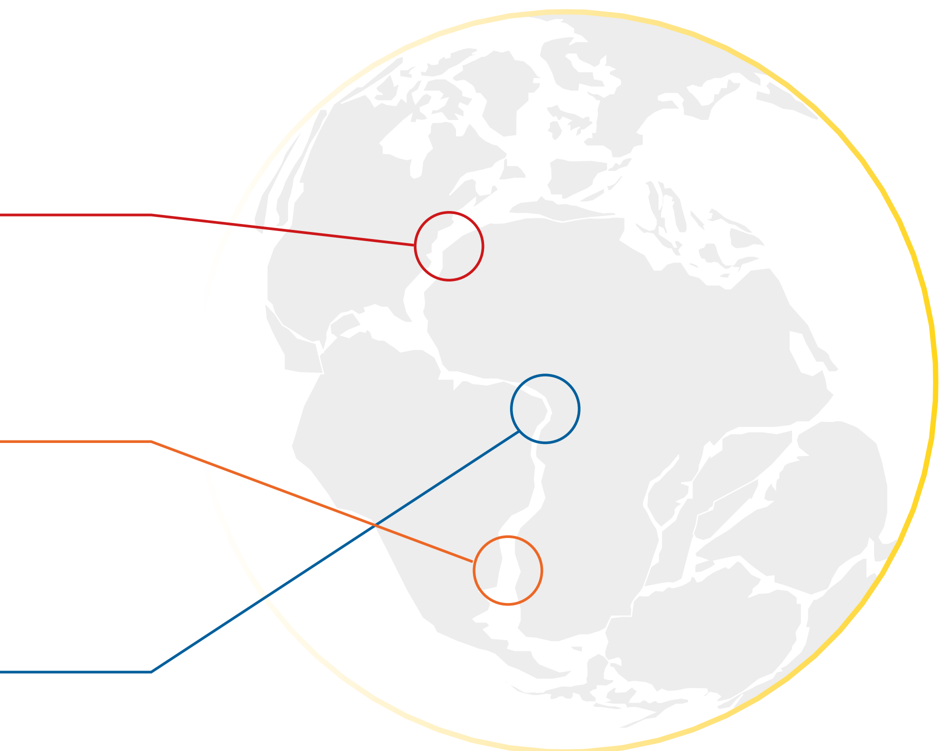
- Morocco, a proven oil producing region, sits conjugate to the Nova Scotia margin, where major discoveries have been made and substantial deepwater exploration programmes are ongoing. The significant success and activity in Nova Scotia provides important information regarding both Jurassic shelf carbonates and the younger Early Cretaceous marine shelf clastics, with both these systems identified in Chariot's acreage.
- Whilst considered frontier regions, the Barreirinhas Basin of Brazil has proven, excellent reservoirs and the presence of the same source rocks as those of the conjugate Tano basin of Ghana and Côte d'Ivoire. The Namibian Atlantic Margin has also now demonstrated the presence of excellent source rocks and reservoirs similar to those of other African basins (reservoir systems being of the same age of those in the Tano basin and the Aptian interval representing the main source rock in the Bredasdorp basin, South Africa) and to its conjugate Argentinian margin.

2016 Exploration Developments

During 2016 the technical team focused on refining its drilling inventory with the aim of realising the giant potential of its portfolio through a drilling campaign of three wells within the next two years. With this in mind, we sought an additional industry partner for the drill-ready JP-1 prospect and succeeded in securing a drilling partner in Eni with associated funding for the RD-1 well in Morocco. We have also further matured our understanding of the Namibian and Brazilian assets with the acquisition of additional seismic data, as well as using the learnings gained through our regional work to acquire the Mohammedia and Kenitra assets to capture follow-on potential that we have identified adjacent to the Rabat Deep permit.

With the learnings from our proprietary data, the integration of third party information and the possibility of further drilling campaigns within our regions of exploration, we hope to be able to achieve further partnerships for the next investment phases of our maturing drilling portfolio. Whilst we are aware that the continued oil price environment will make for continued limitations to exploration budgets, we believe that potential partner companies remain interested in the high margin opportunities that our portfolio offers, which are particularly important for new ventures access at times of lower oil prices.

Duncan Wallace
Exploration Manager
14 March 2017



How We Explore

Continents have broken up and drifted apart to reassemble in new configurations throughout much of the earth's history leading to the rock sequences preserved on the earth's surface. Our present continents and oceans began with the breakup of the "supercontinent" called Pangea (see figure).

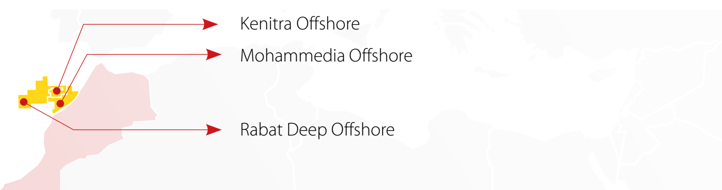
After initial breakup, the Atlantic margins subsided passively due to cooling and sediment loading and hence are called "Passive Margins". These can provide conditions for petroleum accumulations because they form a locus for sediment deposition with basinal rocks that can provide both source and seals interfingering with continentally derived sandstones and shallow marine carbonates providing reservoirs. However structural traps can be rare and the advent of exploration 3D seismic has been beneficial to identify stratigraphic traps.

Opposing (or conjugate) passive margins are often similar and Chariot has exploited this in its portfolio by drawing analogy with producing fields in the Nova Scotian basin to prospects in our licences in Morocco.

Morocco

Drill-ready Inventory
Prospective Resources

768mmbbls** 350mmbbls**



At a Glance

Three licences in Northern region offshore Morocco

Rabat Deep

- Drilling RD-1 well on the JP-1 prospect expected early 2018
- 768mmbbls** four-way dip faulted Jurassic carbonate prospect
- Chariot to be carried (with cap above expected cost)
- Zero cost, no remaining commitments

Mohammedia & Kenitra

- Drill-ready*
- 2D and 3D seismic programmes initiated, fulfilling all commitments
- LKP-1a 350mmbbls** attribute supported 3-way dip closed faulted Cretaceous clastic prospect
- Significant follow-on potential in JP-2 (117mmbbls**) and greater LKP area leads
- Kenitra-A lead 464mmbbls*** to be fully described and potentially matured to prospect status through new 3D data

	2017 1H	2017 2H	2018 1H	2018 2H	2019 1H
Rabat Deep 10% Zero Cost Carried Well			Drill RD-1 JP-1 768mmbbls**		
Mohammedia 75% Kenitra Seismic Commitment	2D 3D	Well partnering		Drilling* LKP-1a 350mmbbls**	Drilling* Kenitra-A 464mmbbls***

Licence Interest

Rabat Deep

- Chariot 10%
- Eni 40% (operator)
- Woodside 25%
- ONHYM 25% (carried interest)

Mohammedia & Kenitra

- Chariot 75% (operator)
- ONHYM 25% (carried interest)

Licence Area

12,792km² (gross)

Licence Overview

Rabat Deep

Ongoing commitments	None
2D	✓
3D	✓

Mohammedia & Kenitra

Ongoing commitments	None
2D	✓
3D	✓

* Subject to acquiring partners and funding
** Netherland Sewell and associates Inc. ("NSAI") estimate of gross mean prospective resources
*** Internal estimate

Chariot has interests in three licences offshore Morocco; Rabat Deep (10% Chariot, 40% Eni (Operator), 25% Woodside, 25% ONHYM (carried interest)), Mohammedia (75% Chariot (Operator), 25% ONHYM (carried interest)) and Kenitra (75% Chariot (Operator), 25% ONHYM (carried interest)). Within our licence areas the team has identified all three of the proven and emerging plays that have been the source of industry activity along the margin over recent years.

Within the area covered by its Moroccan portfolio, Chariot has identified multiple candidate source rocks, modelled to be mature in different basinal kitchens, with nearby onshore legacy light oil fields and geochemical anomalies from the 2015 seabed coring campaign supporting the presence of an active petroleum system. Confidence in the presence of effective reservoirs in the Jurassic carbonates and Lower Cretaceous shallow marine clastics has also increased following detailed seismic interpretation and fieldwork conducted in outcrops onshore.

Rabat Deep

As announced on 9 January 2017, Chariot secured a drilling partner following the completion of the farm-out to Eni on the Rabat Deep permits. Chariot now has a capped carry on the drilling of the RD-1 well, targeting the JP-1 prospect (768mmbbls gross mean prospective resources (NSAI)), a carry for other geological and administrative costs relating to work commitments in the next licence period and a cash contribution recognising Chariot's investment to date. Chariot expects the well to be drilled in early 2018, following the relevant EIA approvals and procurement of a drilling rig.

The JP-1 prospect is a large (>200km²) faulted four-way dip closure located in water depths ranging from 1,000m to 1,400m, and lies adjacent to the predicted mature Lower Jurassic source kitchens. This large trap was first identified on reprocessed legacy 2D seismic data and subsequent proprietary 3D seismic data improved confidence in the trap, its reservoir potential and the recognition of secondary targets that overlie the main objective. This work was supplemented by a geochemical coring programme which provided further evidence for a working petroleum system. We believe that the farm-in of two major industry players at each investment phase has validated the prospectivity identified by the in-house team.

Our Rabat Deep portfolio contains a further six Jurassic leads. Success in JP-1 would materially de-risk this prospectivity and offers significant follow-on exploration potential in the neighbouring Mohammedia and Kenitra area for which Chariot secured exploration permits in June 2016 and February 2017 respectively.

Mohammedia and Kenitra

The Mohammedia licence area sits inboard of Rabat Deep and covers an area of approximately 4,600km² with water depths of less than 500m. This area contains a number of potential play systems. In 2014 Chariot acquired approximately 375km² of 3D seismic data across this licence, when it was held in the Reconnaissance phase, which was used to identify prospects in the Eo-Oligocene (EOP-1 & 2), Lower Cretaceous (LKP1a,1b,2a,&2b) and the Jurassic (JP-2), whose summed gross mean prospective resources reach in excess of 1Bnbbls (NSAI). Both the Eo-Oligocene and Lower Cretaceous prospects exhibit seismic attributes that could be indicative of hydrocarbons.

The recently acquired Kenitra Exploration Permit is part of the acreage relinquished from the Company's Rabat Deep Exploration Permits I-VI at the end of the First Exploration Period and is adjacent to Mohammedia. It covers an area of approximately 1,400km^2 with water depths ranging from 200m to 1,500m. The Jurassic carbonate shelf-edge system that makes up the JP-1 and JP-2 prospects has been interpreted to lie along the margin between Kenitra and Mohammedia. This shelf-edge appears to act as a structural control on the overlying Early Cretaceous shelf margin. This system contains the LKP prospects which have reservoirs resulting from the deposition of shallow marine and deltaic clastics.

Of these, the LKP-1a prospect, a three-way dip closed faulted Cretaceous clastic prospect with gross mean prospective resources of 350mmbbls (NSAI) and relatively shallow water depths of 350m, has been identified as a priority drilling prospect. As with all of Chariot's priority targets, it is believed to carry significant follow-on potential with an additional three prospects in the Lower Cretaceous shallow marine clastic play in Mohammedia alone. This play is expected to extend from Mohammedia into Kenitra, in an area of very sparse existing 2D seismic coverage, which is to be covered by the commitment 2D and 3D work programmes that are currently underway.

In addition, Chariot has identified the deepwater turbidite equivalent of these shallow-water clastics in a new large lead on the Kenitra licence, Kenitra-A, which has gross mean prospective resources of 464mmbbls (Company estimate). This lead is partially covered by existing 3D seismic data and has seismic attribute support which could be indicative of hydrocarbons. The critical updip closure lies in an area of sparse 2D seismic coverage, and this lead is to be covered and fully described by the ongoing 3D seismic programme mentioned above.

This 2D and 3D seismic programme, which will fulfil all commitments across both licences, is also being acquired where the Jurassic carbonate and Lower Cretaceous clastic plays extend outside the current 3D seismic coverage with the aim of defining further material prospectivity to the south of the existing prospects whilst capitalising on excellent seismic rates.

Forward Plan 2017/2018

Rabat Deep:

- Drill RD-1 exploration well on the JP-1 prospect in Rabat Deep – anticipated early 2018 (following operator's EIA approval, operational planning and procurement of a suitable drilling rig)

Mohammedia and Kenitra:

- Complete the 3D and 2D seismic programme to define additional prospectivity in the greater LKP area and beyond
- Drill LKP-1a – a dataroom is open for potential farminees to participate in both funding of the current seismic programme and drilling on this prospect, for which important calibration will be given by RD-1
- Kenitra-A lead to be fully described and potentially matured to prospect status through new 3D data

Remaining Commitments

Rabat Deep:

- No remaining funding commitments from Chariot – well commitment expected to be fulfilled 2018

Mohammedia and Kenitra:

- 2D and 3D seismic commitments will be fulfilled on completion of the acquisition and processing of the current seismic programmes

RD-1 Drilling Case Study

Following Woodside's farm-in in 2014, Eni entered the Rabat Deep permits as operator post-period to drill the deepwater RD-1 well, which will target the JP-1 prospect. The JP-1 prospect is a four-way dip closed structure in excess of 200km^2 areal extent with 768mmbbls of gross mean prospective resources (NSAI) (77mmbbls net to Chariot). There are an additional six Jurassic leads in Rabat Deep ranging from 208 to 1,041mmbbls gross mean prospective resources (NSAI).

This description has been supported by Chariot's technical analysis that has identified nearby onshore legacy fields that have produced 34-41° API oil from Jurassic carbonates and clastics. In addition, Jurassic source rocks have proven to be excellent quality in nearby DSDP deepwater probe and in outcrop in the Moroccan Atlas mountains, with our source rock modelling describing mature kitchens adjacent to the JP-1 prospect with the potential for a significant oil charge. On trend wells in Jurassic carbonate reservoirs show net reservoir ranging up to 110m with average porosities between 12%-17%, in facies which have been described at outcrop and are interpreted from seismic data in Rabat Deep.

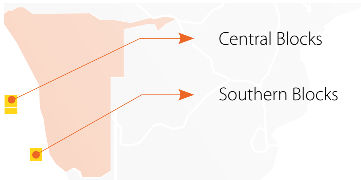
In addition, JP-1 falls on an isolated shelf-edge with the potential for enhanced primary porosity in clean, high energy carbonates. The presence of shelf bounding faults in association to the prospect may also enhance fluid flow including the potential for associated dolomitisation for improved secondary porosity as seen in the analogue Panuke field on the conjugate margin in Nova Scotia.

Following completion of the relevant Environmental Impact Assessment, finalising well planning and securing a rig, we expect drilling to occur in early 2018. Given the excellent commercial terms and giant potential of this prospect, success at the drill bit will deliver transformational value to Chariot shareholders.

Namibia

Drill-ready Inventory
Prospective Resources

469mmbbls** 8.1Tcf**



At a Glance

Central Blocks

- Drill-ready*
- Operator; large equity position
- Prospect B 469mmbbls**, partnering process underway
- 2,600km² 3D acquired over outboard high, fulfilling all commitments
- Processing has identified follow-on potential in prospects S,T,U,V & W

Southern Blocks

- Drill-ready*
- Operator, large equity position
- AO1 prospect 8.1Tcf**, follow-on potential AO2 prospect 2.2Tcf**, partnering process underway
- Regional 2D seismic interpretation integration completed, fulfilling all commitments

	2017 1H	2017 2H	2018 1H	2018 2H	2019 1H
Central Blocks 65% Option acreage, No remaining commitments	3D Interpretation	Well partnering		Drilling* Prospect B 469mmbbls**	
Southern Blocks 85% Option acreage, No remaining commitments	Well partnering		Drilling* AO1 8.1Tcf**		

Licence Interest

Central Blocks: 2312 & 2412A

- Chariot 65% (operator)
- AziNam 20%
- NAMCOR (carried) 10%
- Ignitus (carried) 5%

Southern Blocks: 2714A & B

- Chariot 85% (operator)
- NAMCOR (carried) 10%
- Quiver (carried) 5%

Licence Area

27,746km² (gross)

Licence Commitment

Central Blocks: 2312 & 2412A; Southern Blocks: 2714A & B

Ongoing commitments	None
2D	✓
3D	✓

* Subject to acquiring partners and funding
** Netherland Sewell and Associates inc. ("NSAI") estimate of gross mean prospective resources

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

The participation in the ION NambiaSPAN multi-client 2D seismic survey of 2015 which covered the entire offshore Namibian margin, our own proprietary knowledge from extensive seismic campaigns and the drilling of the Kabeljou and Tapir South wells, as well as those of third parties has provided invaluable detail on the regional geological architecture of our acreage, especially with regard to basin crustal structure, correlation of source rock levels and definition of the main reservoir fairways. In particular, it appears that Chariot's blocks are well placed to capture charge from key source kitchens and the Company's 2016 3D seismic programmes specifically focused on describing reservoir presence and the identification of traps.

Central Blocks

In February 2016, Chariot completed a 2,600km^2 3D seismic programme over the western flank of the Central Blocks on the outboard high, fulfilling all commitments, complementing existing 3D data and covering a number of leads which had been identified by the previous year's 2D seismic survey. Whilst prospect B remains a high potential drilling candidate in this licence area (gross mean prospective resources of 469mmbbls (NSAI)), the interpretation of the final PSDM seismic data has identified a suite of purely structural closures, which may be considered lower risk, named prospects S,T,U,V & W. The data is of excellent quality and appears to cement the prospectivity already identified within the licence. This, combined with the excellent quality source rock and light oil recovered in wells adjacent as well as learnings from the ION NambiaSPAN survey, emphasise the potential we believe to exist within this licence area. This analysis is now complete and a dataroom is open with the aim of securing a partner for the addition of the best prospect from the developed portfolio to the drilling programme over the next two years.

Southern Blocks

The integration of the ION NamibiaSPAN 2D seismic survey of 2015 with the on-block 2D and 3D data and regional well data analysis was particularly useful to the technical studies in the Southern blocks in which the Company has identified the relatively high risk but material gas prospects AO1 and AO2 in the Aptian clastic onlap play with gross mean prospective resources of 8.1Tcf (NSAI) and 2.2Tcf (NSAI) respectively. Additional potential has also been identified in the deeper Kudu play and within the shallower Cretaceous turbidite plays. Within this region all commitments have been fulfilled, with a dataroom currently open and a partnering process initiated with the aim of securing a drilling partner.

Forward Plan 2017/2018

Central Blocks:
- Drill prospect B or another high graded prospect – partnering process initiated

Southern Blocks:
- Drill prospect AO1 – partnering process underway

Remaining Commitments

Central Blocks:
- No remaining commitments

Southern Blocks:
- No remaining commitments

Brazil

Lead Inventory
Prospective Resources

300-500mmbbls**

At a Glance

- Drill-ready Q1 2018*
- Operator, 100% equity position
- 775km² 3D seismic acquired and processed fulfilling all commitments
- Interpretation ongoing
- Partnering process to commence following interpretation
- 300-500mmbbls** discovery potential

	2017 1H	2017 2H	2018 1H	2018 2H	2019 1H
BAR-M-292 100% BAR-M-293 BAR-M-313 BAR-M-314 Option acreage, No remaining commitments	3D Interpretation	Well partnering			Drilling* Lead potential 300-500mmbbls**

Licence Overview

BAR-M-292, 293, 313, 314

Ongoing commitments	None
2D	✓
3D	✓

* Subject to acquiring partners and funding
** Internal estimate

Licence Interest

BAR-M-292, 293, 313, 314
- Chariot 100% (operator)

Licence Area
768km²

Following the highly successful drilling campaigns on the conjugate margin of Côte d'Ivoire and Ghana, the 11th licensing round in the Brazilian Barreirinhas basin, where the potential for hydrocarbon generation is anticipated to be similar, was highly competitive. Despite this competition, Chariot secured 100% of licences BAR-M-292, 293, 313 and 314 on a seismic option and with a low signature bonus whilst many of the neighbouring operators in the region took on significantly higher signature bonus payments and drilling commitments within the First Exploration Phase.

Whilst there have only been three deepwater wells drilled within the basin to date, the information these have provided has proven the presence of excellent quality Tertiary and Cretaceous deepwater turbidite reservoirs. In addition, the presence of Cenomanian-Turonian source rocks have been demonstrated in legacy shallow-water wells drilled in-board of Chariot's acreage with evidence for sufficient burial for hydrocarbon generation, which is supported by shows in offset wells and potential seismic Direct Hydrocarbon Indicators.

In March 2016, Chariot completed the acquisition of a 775km² 3D seismic survey which encompassed a large roll-over structure and numerous leads that the team had identified on legacy 2D seismic. This data has been processed and the final data is currently being interpreted in-house. This technical evaluation will focus on the description of reservoir distribution and the identification of both stratigraphic and structural traps. Early processed products display clear turbidite reservoir geometries extending from the shallow-water of Chariot's licences down dip towards the neighbouring block to the north. The description of the prospect inventory in these licences will be completed ahead of anticipated third party drilling in neighbouring acreage which will test the basin and directly de-risk the Chariot acreage which is located within the same play fairway, but critically in an updip setting. Partnering on these licences is expected to commence following completion of this interpretation.

Forward Plan 2017/2018

- Evaluate 3D data and identify drill-ready prospects
- Planning for optional drilling, including environmental impact assessment
- Conduct a partnering process for drilling

Remaining Commitments

- No remaining commitments

Risk Management Statement

Risk Mitigation and Portfolio Management

The Group is subject to various risks including those which derive from the nature of its oil and gas exploration activities. The following list sets out the Group's principal risks and uncertainties and also provides details as to how these are managed.

Risk	Description	Mitigation
Funding and Financing Risk	The nature of the Group's business of exploring in deep offshore regions means that there are significant costs associated with seismic and drilling campaigns.	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. In addition, the Group 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 and where the Group is unable to attract partners 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.
Exploration Risk	There is no assurance that the Group's exploration activities will be successful.	Recognising this, the Group continually seeks to manage this risk by managing its funding and financing risk as described above and, in particular, by bringing in farm-in partners who have demonstrable technical skills and experience in similar projects worldwide. The Group has so far been successful with this strategy by introducing strong industry partners to its licences, including Woodside and Eni. Furthermore, the Group seeks to employ individuals with strong technical skills and experience in the areas in which it operates. This is evidenced by the fact that a number of the Group's Board and Senior Technical Team have previously worked both offshore and onshore in Namibia, throughout West and North Africa and in Brazil.
Operating Risk	The nature of oil and gas operations means that the Group is exposed to risks such as equipment failure, well blowouts, fire, pollution and bad weather.	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.
Environmental Risk	The Group is extremely conscious of the environmental risks that are inherent in the oil and gas industry and, in particular, those that exist as a result of operating offshore.	Given this, the Group works closely with the relevant ministries to ensure that all relevant Environmental Impact Studies are undertaken in advance of any proposed seismic or other offshore operations that are undertaken and that best in class industry environmental standards and practices are adopted by the Group in all of its operations. Furthermore, during seismic acquisition programmes, the Group routinely deploys marine mammal observers on vessels who are empowered to stop or modify the seismic programme if they deem it necessary. Whilst the Group can never fully mitigate against the cost and implications of future changes in environmental legislation and regulation, its strong working relationship with the governments in the countries in which it operates places it in a good position to be able to work through any potential significant changes that could arise in the future.

Corporate Social Responsibility

Looking to Deliver Best Practice

Chariot supports the growing awareness of social, environmental and ethical matters when considering business practices. This statement provides an outline of the policies in place that guide the Group and its employees when dealing with social, environmental and ethical matters in the workplace.

Code of Conduct
Chariot maintains and requires the highest ethical standards in carrying out its business activities in regard to dealing with gifts, hospitality, corruption, fraud, the use of inside information and whistle-blowing. Chariot has a zero tolerance policy towards bribery.

Equal Opportunity and Diversity
Chariot promotes and supports the rights and opportunities of all people to seek, obtain and hold employment without discrimination. It is our policy to make every effort to provide a working environment free from bullying, harassment, intimidation and discrimination on the basis of disability, nationality, race, sex, sexual orientation, religion or belief.

Employee Welfare
Chariot aims to assist employees at all levels to improve their professional abilities and to develop their skills.

The Group will practice manpower and succession planning in regard to the number and type of personnel resources that will be required in the future. Individual career progression activities are developed with this in mind.

Joint Venture Partners, Contractors and Suppliers
Chariot is committed to being honest and fair in all its dealings with partners, contractors and suppliers. The Group has a policy to provide clarity and protection, within its terms of business, to ensure the delivery and receipt of products and services at agreed standards. Procedures are in place to ensure that any form of bribery or improper behaviour is prevented from being conducted on Chariot's behalf by joint venture partners, contractors and suppliers. Chariot also closely guards information entrusted to it by joint venture partners, contractors and suppliers, and seeks to ensure that it is never used improperly.

Operating Responsibly and Continuous Improvement
Chariot is committed to a proactive quality policy to ensure that stakeholders are satisfied with its results and the way in which the business operates and to promote continuous improvement in the overall operation of the Group. In pursuit of these objectives, Chariot will use recognised standards and models as benchmarks for its management systems.

Environmental and Socioeconomic Policy
Chariot adopts an environmental policy which sets standards that meet or exceed industry guidelines and host government regulations. This is reviewed on a regular basis. Wherever we operate we will develop, implement and maintain management systems for sustainable development that will strive for continual improvement.

Prior to any seismic acquisition programmes and in preparation for the drilling of any exploratory wells, Chariot will employ environmental consultants to carry out area specific Environmental Impact Assessments ("EIAs") which are approved by the relevant ministries. Chariot intends to carry out all necessary requirements to ensure that the environment in and around its areas of interest is maintained to the highest standard. During all seismic acquisition programmes, Chariot employs marine mammal observers to travel on board the seismic vessels. These observers compile marine mammal and bird count statistics which will assist in the preparation of future EIAs.

With regards to preparation for drilling exploratory wells, Chariot will use its Environmental Management Plan which will be implemented from preparatory stage to well completion. Whilst drilling is underway, an Oil Spill Response and Emergency Response plan will be put in place. At the point of discovery, an Environmental Management System will be developed to co-ordinate and monitor environmental activities and report the performance over the lifetime of the field from discovery to development, through to abandonment.

Social impacts will also form part of these assessments and preliminary work in this area will consider the local communities and the local economic effects on a progressive and permanent level. It is Chariot's aim to ensure that all the likely environmental and socioeconomic impacts will be managed with skill, care and diligence in accordance with professional standards.

Chariot is committed to maintaining and regularly reviewing its Health and Safety and Environmental (HSE) policies.

Board of Directors

George Canjar
Non-Executive Chairman

① ② ③

Biography
George has more than 35 years of experience in the oil industry and began his career at Shell, having graduated with a BSc in Geologic Engineering from the Colorado School of Mines. George is currently Director of New Business Development for Hess Corporation.

Experience
His career began with 17 years at Royal Dutch/Shell Oil. He then became a founding member of Carrizo Oil & Gas serving as Vice President of Exploration and Development for seven years. More recently he was Executive Vice President and Chief Operating Officer for Davis Petroleum Corporation for seven years. George has been a technical director at Hess since July of 2012. His career has spanned a broad spectrum of the E&P sector involving all petroleum engineering and exploration disciplines as well as a variety of corporate activity. His expertise lies in acquisitions/divestitures, deal structuring, portfolio development, risk analysis and strategic modelling. He has typically served as the operational catalyst for integrating technical management, financing and commercial alignment in bringing successful projects to first production.

Year Appointed
2013

Sector Experience
Shell, Carrizo Oil & Gas, Davis Petroleum, HESS

Larry Bottomley
Chief Executive Officer

Biography
Larry has worked in the oil and gas industry for 35 years and has a significant track record of building exploration and production businesses on the international stage, delivering transformational growth and shareholder value.

Experience
Larry has worked across a broad spectrum of exploratory and business development roles worldwide, in senior leadership roles with Perenco SA, Hunt Oil, Triton Energy and BP. He has a strong background in integrated geosciences, team management and relationship building and a key aspect of his work has been in the creation, development and delivery of significant drilling programmes that have led to the discovery and development of giant oil fields.

Year Appointed
2012

Sector Experience
BP, Triton, Hunt Oil, Perenco

Committee Membership

(1) Nomination Committee (2) Remuneration Committee (3) Corporate Governance Committee (4) Audit Committee

Adonis Pouroulis
Non-Executive Director

(1) (4)

Biography
Adonis, one of the founders of Chariot and its Namibian, 100% owned, operating subsidiary Enigma, is a mining engineer and entrepreneur whose expertise lies in the discovery, exploration and development of natural resources.

Experience
He has worked in the sector for over 25 years and has been influential in the founding, financing and growth of a number of companies, including Petra Diamonds, London's largest listed diamond producer. Adonis is the founder and chair of the Pella Resources Group which is the holding company for a number of mining and oil and gas businesses primarily based in Africa. Pella is also engaged in a number of charitable initiatives which aims to help empower the communities in which it operates.

Year Appointed
2008

Sector Experience
Petra Diamonds, Pella Resources

Robert Sinclair
Non-Executive Director

(2) (3) (4)

Biography
Robert is Managing Director of the Guernsey-based Artemis Trustees Limited and a Director of a number of investment Fund Management companies and Investment Funds associated with Artemis Trustees Limited.

Experience
Robert is Chairman of Schroder Oriental Income Fund Limited, Director of Rainbow Rare Earths Limited, Director of EF Realisation Company Limited, Director of Sirius Real Estate Limited and a Director of Picton Property Income Limited, all of which are listed on the London Stock Exchange. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Institute of Chartered Accountants of Scotland, and is resident in Guernsey. Robert represents the interests of Westward Investments Limited, a major shareholder of Chariot.

Year Appointed
2008

Sector Experience
Artemis, The Institute of Chartered Accountants in England & Wales

Senior Management Team

1. Julian Maurice-Williams
Chief Financial Officer

2. Duncan Wallace
Exploration Manager

3. Alex Green
Commercial Manager

4. Matthew Taylor
Exploration Advisor

5. Julia Kemper
Principal Geophysicist

6. Robert Mwanachilenga
Country Manager and Senior Staff Drilling Engineer, Namibia

7. Tatiana Menezes
Environmental Compliance and Office Manager, Brazil

1. Julian Maurice-Williams Chief Financial Officer

Biography Julian is a Chartered Accountant with over ten years of experience in the oil and gas sector. Prior to being promoted in May 2015 Julian was Chariot's Group Financial Controller for three years.

Experience Before joining Chariot in 2012 he was a manager within BDO LLP's natural resources department in London where his client portfolio included Main Market, AIM and ASX quoted oil and mining companies with exploration and production assets primarily in Africa, the Former Soviet Union, South America, Australia and Asia.

2. Duncan Wallace Exploration Manager

Biography Duncan is a geologist with over 15 years of E&P experience. After graduating with an MSc from Imperial College he joined Perenco where he held a wide variety of technical and management positions focused largely on the African Atlantic margin and Andean foreland basins prior to becoming Country Manager in Brazil. In this role he had the responsibility to oversee a full cycle of exploration in a new country, including seismic acquisition, prospect generation and the execution of a deepwater drilling campaign. Subsequent to this, Duncan held the roles of New Ventures Exploration Manager and Business Development Manager.

Experience Since joining Chariot in 2013, Duncan has taken responsibility for activity across Chariot's exploration portfolio. This includes the contracting of seismic and geochemical surveys, supervision of exploration studies, well planning, management of existing joint-venture relations and organisation of the farmout processes. He also oversees the new venture exploration activity, which has so far successfully integrated Brazilian and additional Moroccan acreage.

3. Alex Green Commercial Manager

Biography Alex has over 25 years of experience in the business development, commercial and financial aspects of the upstream oil and gas sector. Alex began his career as a Petroleum Economist for Clyde Petroleum where he was responsible for developing the company's corporate model and running the evaluation of acquisition opportunities.

Experience He subsequently worked as a Corporate Planner for BG Plc, later moving to become Commercial Manager and then Group Economics Manager for Paladin Resources. At Paladin, Alex led successful joint venture negotiations, coordinated and negotiated oil and gas sales agreements for the group and ran the financial and commercial analysis within the company's business development team. He also played a key role in developing internal and external financial models.

4. Matthew Taylor Exploration Advisor

Biography Matthew is a petroleum geologist who has worked in the industry for over 30 years. He began his career with BNOC in 1980, moving to BP in 1984 and subsequently held senior geologist posts with BHP Petroleum and Triton Energy.

Experience Matthew has also consulted and advised a range of clients including Chevron, Dana Petroleum and Marathon Oil on New Venture projects, both identifying targets and providing detailed prospect and basin evaluations and opportunity assessments. Subsequent to this, he played a major role in the acquisition of exploration acreage in Namibia, Oman, Senegal, Togo and Western Europe working for Hunt Oil.

5. Julia Kemper Principal Geophysicist

Biography Julia has more than 25 years of experience in the oil and gas industry, having worked as a geophysicist for both BP and Shell and more recently as Senior Geophysicist with Hunt Oil and MND Exploration & Production.

Experience She has been involved in all aspects of geophysical work throughout her career and has been a formative part of, and had key roles in, new venture divisions. Julia specialises in the development, interpretation and evaluation of 2D and 3D seismic programmes as well as the assessment of new opportunities. She has a long track record working in Namibia and her knowledge of the country contributed to securing the offshore acreage for Hunt Oil in 2005.

6. Robert Mwanachilenga Country Manager and Senior Staff Drilling Engineer, Namibia

Biography Robert has been in the oil and gas industry for 25 years with experience in a variety of international roles.

Experience Prior to joining Chariot, Robert worked for the National Petroleum Corporation of Namibia ("NAMCOR") as Acting Managing Director, having also held roles within the company as Engineering Manager and Development Engineer. He started his career as Field Engineer with the Deutsche Schachtbau-und Tiefbohrgesellschaft mbH (DSTmbH) in Lingen, Germany. He subsequently worked for Global Marine and later Petrobras before joining NAMCOR.

Robert is a member of the Society of Petroleum Engineers, the Association of the Advancement of Cost Engineers International and the Engineering Council of Namibia.

7. Tatiana Menezes Environmental Compliance and Office Manager, Brazil

Biography Before joining Chariot in 2013, Tatiana held a number of different positions in the energy sector and more specifically, as an environmental co-ordinator and liaison officer.

Experience Her previous role as Environmental Coordinator at Perenco Petróleo e Gás do Brasil Limited saw her acquire the environmental licence and "anuencias" or "technical consents" for offshore drilling activities in the Espirot Santo Maritime Basin whilst also being the main contact with the Environmental Brazilian Organisation, IBAMA. During her time at Perenco, Tatiana was also responsible for contracting environmental companies as part of the tendering process and played an integral role in the start-up of the company in Brazil. Tatiana has also worked as an environmental assistant at Galp Energia, co-ordinating the environmental permits and monitoring the environmental project implementation in the countries within the influence area for various seismic activities.

Directors' Remuneration Report

Remuneration Committee
The Group's Remuneration Committee comprises George Canjar (Chairman) and Robert Sinclair.

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 varying between three and 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	Benefits in kind[1] US$000	Payment in lieu of notice compromise/ payment US$000	Year ended 31 December 2016 Total US$000	Year ended 31 December 2015 Total US$000
G Canjar	51	–	–	51	76
L Bottomley	247	–	–	247	484
M Taylor[3]	21	3	196	220	193
A Pouroulis	51	–	–	51	76
R Sinclair	37	–	–	37	56
W Trojan[2]	12	–	20	32	56
D Bodecott[2]	12	–	20	32	56
Total	**431**	**3**	**236**	**670**	**997**

(1) Comprises private health insurance.
(2) W Trojan and D Bodecott resigned as Directors on 10 May 2016.
(3) M Taylor retired by rotation on 5 July 2016.

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 2016	31 December 2015
G Canjar	291,573	291,573
L Bottomley[1]	554,446	554,446
A Pouroulis[2]	28,554,671	28,554,671
R Sinclair	412,000	412,000
Total	**29,812,690**	**29,812,690**

(1) Includes 20,104 held by P Bottomley, the spouse of L Bottomley.
(2) 28,454,671 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.

Share Options

The Group operates a Share Option Scheme pursuant to which Directors and senior executives may be granted options to acquire Ordinary shares in the Company at a fixed option exercise price.

Further details of the Share Option Scheme can be found in note 20.

The Directors who held office at the reporting date and who had interests in the Share Option Scheme are:

	Options held at 31 December 2015	Options held at 31 December 2016	Exercise price (p)	Exercisable from	Expiry date
L Bottomley	250,000	250,000	125.0	1/9/13	1/9/21
L Bottomley	2,750,000	2,750,000	27.3	19/12/14	18/12/23
Total	**3,000,000**	**3,000,000**			

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 20.

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

	RSU held at 31 December 2015	Granted during the year	RSU held at 31 December 2016	Grant date	Expiry date
A Pouroulis	18,533	–	18,533	20/9/13	20/9/23
A Pouroulis	504,202	–	504,202	23/9/14	23/9/24
A Pouroulis	–	72,463[1]	72,463	9/11/16	8/11/26
G Canjar	51,265	–	51,265	20/9/13	20/9/23
G Canjar	159,000	–	159,000	24/9/13	24/9/23
G Canjar	57,513	–	57,513	23/9/14	23/9/24
G Canjar	75,060	–	75,060	20/7/15	20/7/25
G Canjar	–	318,841[1]	318,841	9/11/16	8/11/26
R Sinclair	18,533	–	18,533	20/9/13	20/9/23
R Sinclair	212,000	–	212,000	24/9/13	24/9/23
R Sinclair	–	72,463[1]	72,463	9/11/16	8/11/26
Total	**1,096,106**	**463,767**	**1,559,873**		

(1) Vests in three equal instalments on 30 June 2017, 2018 and 2019.

Directors' Remuneration Report continued

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 20.

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

	LTIPs held at 31 December 2015	Granted during the year	LTIPs held at 31 December 2016	Grant date	Exercisable from	Expiry date
L Bottomley	411,011	–	411,011	11/4/14	1/1/17	10/4/24
L Bottomley	411,011	–	411,011	26/6/15	1/1/18	25/6/25
L Bottomley	–	1,564,286	1,564,286	28/6/16	1/1/19	27/6/26
L Bottomley	–	1,318,841	1,318,841	9/11/16	30/6/19	8/11/26
Total	**822,022**	**2,883,127**	**3,705,149**			

By order of the Board

George Canjar
Chairman of the Remuneration Committee
14 March 2017

Corporate Governance Statement

The UK Corporate Governance Code

Chariot Oil & Gas Limited's shares are traded on AIM and, as such, Chariot is not subject to the requirements of the UK Corporate Governance Code, nor is it required to disclose its specific policies in relation to corporate governance. The Directors, however, support high standards of corporate governance and, so far as is practicable, will progressively adopt best practices in line with the UK Corporate Governance Code.

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.

The Board consists of the Chairman, Chief Executive Officer and Non-Executive Directors. All Directors have access to the advice and services of the Company Secretary and the Group's professional advisors.

Corporate Governance Committee

The Corporate Governance Committee comprises Robert Sinclair (Chairman) and George Canjar.

The purpose and objectives of the Corporate Governance Committee is to provide a structured mechanism to consider Corporate Governance at Chariot. It provides guidance on all material corporate governance issues affecting the Group and makes recommendations to the Board on these issues. It also aims to monitor all developments and emerging best practice in Corporate Governance and to ensure adoption by Chariot at the appropriate juncture. Furthermore, the Corporate Governance Committee provides an overview on the effectiveness of the Board as a whole, each Board committee and the individual Directors in their roles as Board/Board Committee members.

The Corporate Governance Committee met once during the year ended 31 December 2016.

Remuneration Committee

The Remuneration Committee comprises George Canjar (Chairman) and Robert Sinclair.

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.

The Remuneration Committee met three times during the year ended 31 December 2016.

Audit Committee

The Audit Committee comprises Robert Sinclair (Chairman) and Adonis Pouroulis.

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.

The Audit Committee met three times during the year ended 31 December 2016.

Corporate Governance Statement continued

Nomination Committee

The Nomination Committee comprises George Canjar (Chairman) and Adonis Pouroulis.

The Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions, as and when they arise.

The Nomination Committee met once during the year ended 31 December 2016.

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.

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results and Dividends
The results for the year are set out on page 32.

The Directors do not recommend payment of a final dividend (31 December 2015: US$Nil).

Principal Activity
The principal activity of the Group is oil and gas exploration.

Going Concern
The Directors consider that the Group has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the 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 Chief Executive Officer's Review, the Chief Financial Officer's Review and the Exploration Manager's Review of Operations. These pages also form part of this Report of the Directors.

The Group is subject to various risks including those which derive from the nature of its oil and gas exploration 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 Chief Executive Officer's Review.

Financial Instruments
Details of the use of financial instruments by the Group are contained in note 19 to the financial statements.

Directors
The Directors of the Company during the year were:

George Canjar (Non-Executive Chairman)	
Larry Bottomley (Chief Executive Officer)	
Adonis Pouroulis (Non-Executive Director)	
Robert Sinclair (Non-Executive Director)	
Matthew Taylor (Technical Director)	Retired by rotation 5 July 2016
William Trojan (Non-Executive Director)	Resigned 10 May 2016
David Bodecott (Non-Executive Director)	Resigned 10 May 2016

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

Report of the Directors continued

Directors' Responsibilities
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.

Guernsey legislation 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 IFRS as adopted by the European Union. International Accounting Standard 1 requires that the financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. 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:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on a going concern basis unless, having assessed the ability of the Group to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative to do so.

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 are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors
All of the current Directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

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

Larry Bottomley
Chief Executive Officer
14 March 2017

Independent Auditor's Report

to the Members of Chariot Oil & Gas Limited

We have audited the financial statements of Chariot Oil & Gas Limited for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the Guernsey (Companies) Law, 2008 and International Financial Reporting Standards (IFRS) as adopted by European Union.

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors
As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements
In our opinion:

- give a true and fair view of the state of the Group's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Matters on which we are Required to Report by Exception
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 Company or the Group; 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.

Scott McNaughton (Responsible Individual)
For and on behalf of BDO LLP
Chartered Accountants
London
United Kingdom
14 March 2017

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

Consolidated Statement of Comprehensive Income

for the Year Ended 31 December 2016

	Notes	Year ended 31 December 2016 US$000	Year ended 31 December 2015 US$000
Share based payments	20	(787)	(1,104)
Provision against inventory	14	–	(6,559)
Impairment of exploration asset	11	(5,173)	–
Other administrative expenses		(3,544)	(4,357)
Total operating expenses		(9,504)	(12,020)
Loss from operations	4	**(9,504)**	**(12,020)**
Finance income	7	2,831	1,303
Finance expense	7	–	(3,943)
Loss for the year before taxation		**(6,673)**	**(14,660)**
Tax expense	9	(159)	(244)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(6,832)**	**(14,904)**
Loss per Ordinary share attributable to the equity holders of the parent – basic and diluted	10	**US$(0.03)**	**US$(0.06)**

All amounts relate to continuing activities.

The notes on pages 36 to 50 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2016

	Share capital US$000	Share premium US$000	Contributed equity US$000	Share based payment reserve US$000	Foreign exchange reserve US$000	Retained deficit US$000	Total attributable to equity holders of the parent US$000
As at 1 January 2015	**4,779**	**338,348**	**796**	**4,514**	**(1,241)**	**(185,145)**	**162,051**
Loss and total comprehensive loss for the year	–	–	–	–	–	(14,904)	(14,904)
Share based payments	–	–	–	1,104	–	–	1,104
Transfer of reserves due to issue of share awards	32	1,306	–	(1,338)	–	–	–
As at 31 December 2015	**4,811**	**339,654**	**796**	**4,280**	**(1,241)**	**(200,049)**	**148,251**
Loss and total comprehensive loss for the year	–	–	–	–	–	(6,832)	(6,832)
Share based payments	–	–	–	787	–	–	787
Transfer of reserves due to issue of share awards	63	979	–	(1,042)	–	–	–
Transfer of reserves due to lapsed share options	–	–	–	(311)	–	311	–
As at 31 December 2016	**4,874**	**340,633**	**796**	**3,714**	**(1,241)**	**(206,570)**	**142,206**

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

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

The notes on pages 36 to 50 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2016

	Notes	31 December 2016 US$000	31 December 2015 US$000
Non-current assets			
Exploration and appraisal costs	11	119,730	108,438
Property, plant and equipment	12	36	62
Total non-current assets		**119,766**	**108,500**
Current assets			
Trade and other receivables	13	2,123	1,306
Inventory	14	938	938
Cash and cash equivalents	15	25,021	39,713
Total current assets		**28,082**	**41,957**
Total assets		**147,848**	**150,457**
Current liabilities			
Trade and other payables	16	5,642	2,206
Total current liabilities		**5,642**	**2,206**
Total liabilities		**5,642**	**2,206**
Net assets		**142,206**	**148,251**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	4,874	4,811
Share premium		340,633	339,654
Contributed equity		796	796
Share based payment reserve		3,714	4,280
Foreign exchange reserve		(1,241)	(1,241)
Retained deficit		(206,570)	(200,049)
Total equity		**142,206**	**148,251**

The notes on pages 36 to 50 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2017.

George Canjar
Chairman

Consolidated Cash Flow Statement

for the Year Ended 31 December 2016

	Year ended 31 December 2016 US$000	Year ended 31 December 2015 US$000
Operating activities		
Loss for the year before taxation	(6,673)	(14,660)
Adjustments for:		
Finance income	(2,831)	(1,303)
Finance expense	–	3,943
Depreciation	39	301
Share based payments	787	1,104
Provision against inventory	–	6,559
Impairment of exploration asset	5,173	–
Net cash outflow from operating activities before changes in working capital	**(3,505)**	**(4,056)**
Increase in trade and other receivables	(854)	(20)
Increase/(decrease) in trade and other payables	604	(705)
Increase in inventories	–	(70)
Cash outflow from operating activities	**(3,755)**	**(4,851)**
Tax payment	(161)	(276)
Net cash outflow from operating activities	**(3,916)**	**(5,127)**
Investing activities		
Finance income	1,205	1,306
Payments in respect of property, plant and equipment	(13)	(21)
Farm-in proceeds	–	1,866
Payments in respect of intangible assets	(13,596)	(7,850)
Net cash outflow used in investing activities	**(12,404)**	**(4,699)**
Net decrease in cash and cash equivalents in the year	**(16,320)**	**(9,826)**
Cash and cash equivalents at start of the year	**39,713**	**53,482**
Effect of foreign exchange rate changes on cash and cash equivalent	1,628	(3,943)
Cash and cash equivalents at end of the year	**25,021**	**39,713**

The notes on pages 36 to 50 form part of these financial statements.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

1 General Information

Chariot Oil & Gas Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WW. The nature of the Company's operations and its principal activities are set out in the Report of the Directors and in the Exploration Manager's Review of Operations.

2 Accounting Policies

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

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

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

Going Concern
The Directors are of the opinion that the Group has adequate financial resources to enable it to undertake its planned programme of exploration and appraisal activities for a period of at least twelve months.

New Accounting Standards
The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 January 2016. 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
IAS 1 – Presentation of Financial Statements (Amendments)	1 January 2016
IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016
IAS 27 – Separate Financial Statements	1 January 2016
IFRS 11 – Joint Arrangements (Amendments)	1 January 2016
Annual Improvements to IFRSs – (2012-2014 Cycle)	1 January 2016

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2017 or later years to which the Group has decided not to adopt early when early adoption is available. The implementation of these standards and amendments is expected to have no material effect on the Group's accounting policies. These are:

Standard	Effective year commencing on or after
IAS 7 – Statement of Cash Flows (Amendments)	1 January 2017*
IAS 12 – Income Taxes (Amendments)	1 January 2017*
IFRS 9 – Financial Instruments	1 January 2018*
IFRS 15 – Revenue from Contract with Customers	1 January 2018*
IFRS 16 – Leases	1 January 2019*
IFRS 2 – Share Based Payments (Amendments)	1 January 2018*
Annual Improvements to IFRSs – (2014-2016 Cycle)	1 January 2017* & 1 January 2018*

* Not yet endorsed by the EU.

2 Accounting Policies continued

Exploration and Appraisal Costs
All expenditure relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of directly attributable overheads, is capitalised within cost pools.

The Board regularly reviews the carrying values of each cost pool and writes down capitalised expenditure to levels it considers to be recoverable. Cost pools are determined on the basis of geographic principles. The Group currently has five cost pools being Central and Southern Blocks in Namibia, Mauritania, Morocco and Brazil. In addition where exploration wells have been drilled, consideration of the drilling results is made for the purposes of impairment of the specific well costs. If the results sufficiently enhance the understanding of the reservoir and its characteristics it may be carried forward when there is an intention to continue exploration and drill further wells on that target.

Where farm-in transactions occur which include elements of cash consideration for, amongst other things, the reimbursement of past costs, this cash consideration is credited to the relevant accounts within the cost pools where the farm-in assets were located. Any amounts of farm-in cash consideration in excess of the value of the historic costs in the cost pools is treated as a credit to the Consolidated Statement of Comprehensive Income.

Any Capital Gains Tax payable in respect of a farm-in transaction is recognised in the Consolidated Statement of Comprehensive Income.

Inventories
The Group's share of any material and equipment inventories is accounted for at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Taxation
Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign Currencies
Transactions in foreign currencies are translated into US Dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the closing rates at the reporting date and the exchange differences are included in the Consolidated Statement of Comprehensive Income. The functional and presentational currency of the parent and all Group companies is the US Dollar.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

2 Accounting Policies continued

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or fair value on acquisition less depreciation and impairment. Depreciation is provided on a straight line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

Property, plant and equipment are depreciated using the straight line method over their estimated useful lives over a range of 2.5 – 5 years.

The carrying value of property, plant and equipment is assessed annually and any impairment charge is charged to the Consolidated Statement of Comprehensive Income.

Operating Leases

Rent paid on operating leases is charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease.

Share Based Payments

Where equity settled share awards are awarded to employees or Directors, the fair value of the awards at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that eventually vest. Market vesting conditions are factored into the fair value of the awards granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of awards are modified before they vest, the increase in the fair value of the awards, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where shares already in existence have been given to employees by shareholders, the fair value of the shares transferred is charged to the Consolidated Statement of Comprehensive Income and recognised in reserves as Contributed Equity.

Basis of Consolidation

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

Financial Instruments

The Group's financial assets consist of a bank current account or short term deposits at variable interest rates and other receivables. Any interest earned is accrued and classified as finance income. Trade and other receivables are stated initially at fair value and subsequently at amortised cost.

The Group's financial liabilities consist of trade and other payables. The trade and other payables are stated initially at fair value and subsequently at amortised cost.

Joint Operations

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

2 Accounting Policies continued

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 Intangible Assets

Expenditure is capitalised as an intangible asset by reference to appropriate cost pools and is assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgement as to: (i) the likely future commerciality of the asset and when such commerciality should be determined; (ii) future revenues and costs pertaining to any asset based on proved plus probable, prospective and contingent resources; and (iii) the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

ii. Treatment of Farm-in Transactions

All farm-in transactions are reflected in these financial statements in line with the accounting policy on Exploration and Appraisal Costs. Farm-in transactions are recognised in the financial statements if they are legally complete during the year under review or, if all key commercial terms are agreed and legal completion is only subject to administrative approvals which are obtained within the post balance sheet period or are expected to be obtained within a reasonable timeframe thereafter.

b) Areas of Estimation

i. Share Based Payments

In order to calculate the charge for share based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its pricing model as set out in note 20.

ii. Inventory Provision

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

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

3 Segmental Analysis

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

31 December 2016

	Exploration for Oil and Gas US$000	Corporate US$000	Total US$000
Share based payment	–	(787)	(787)
Administrative expenses	(467)	(3,077)	(3,544)
Impairment of exploration asset	(5,173)	–	(5,173)
Finance income	–	2,831	2,831
Tax expense	–	(159)	(159)
Loss after taxation	(5,640)	(1,192)	(6,832)
Additions to non-current assets	16,465	13	16,478
Total assets	120,668	27,180	147,848
Total liabilities	(4,515)	(1,127)	(5,642)
Net assets	116,153	26,053	142,206

31 December 2015

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

4 Loss from Operations

	31 December 2016 US$000	31 December 2015 US$000
Loss from operations is stated after charging:		
Impairment of exploration asset	5,173	–
Provision against inventory	–	6,559
Operating lease – office rental	490	580
Depreciation	39	301
Share based payments – Long Term Incentive Scheme	734	978
Share based payments – Restricted Share Unit Scheme	53	126
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	59	60
Audit of the Company's subsidiaries pursuant to legislation	14	13
Fees payable to the Company's Auditors for the review of the Company's interim accounts	10	12
Total payable	**83**	**85**

5 Leases Commitments

	31 December 2016 US$000	31 December 2015 US$000
Not later than one year	359	497
Later than one year and not later than five years	7	485
Total	**366**	**982**

The leases are operating leases in relation to the offices in the UK and overseas.

6 Employment Costs

Employees

	31 December 2016 US$000	31 December 2015 US$000
Wages and salaries	1,914	2,397
Payment in lieu of notice/compromise payment	243	–
Pension costs	102	122
Share based payments	532	804
Sub-total	**2,791**	**3,323**
Capitalised to exploration costs	(1,397)	(1,597)
Total	**1,394**	**1,726**

Key management personnel

	31 December 2016 US$000	31 December 2015 US$000
Wages and salaries	431	1,256
Payment in lieu of notice/compromise payment	236	210
Pension costs	3	18
Share based payments	255	300
Sub-total	**925**	**1,784**
Capitalised to exploration costs	(188)	(508)
Total	**737**	**1,276**

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.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

7 Finance Income and Expense

Finance income

	31 December 2016 US$000	31 December 2015 US$000
Bank interest receivable	1,203	1,303
Foreign exchange gain	1,628	–
Total	**2,831**	**1,303**

Finance expense

	31 December 2016 US$000	31 December 2015 US$000
Foreign exchange loss	–	3,943
Total	**–**	**3,943**

8 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2016 and 31 December 2015, excluding dormant entities, were:

Subsidiary undertaking	Principal activity	Country of incorporation
Chariot Oil & Gas Investments (Namibia) Limited	Holding company	Guernsey
Chariot Oil & Gas Investments (Mauritania) Limited	Oil and gas exploration	Guernsey
Chariot Oil & Gas Investments (Morocco) Limited	Oil and gas exploration	Guernsey
Chariot Oil and Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey

(1) Indirect shareholding of the Company.

9 Taxation

The Company is tax resident in the UK, however no tax charge arises due to taxable losses for the year (31 December 2015: US$Nil).

No taxation charge arises in Namibia, Morocco, Mauritania or the UK subsidiaries as they have recorded taxable losses for the year (31 December 2015: US$Nil).

In Brazil, there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$159,000 (31 December 2015: US$244,000). There was no deferred tax charge or credit in either period presented.

9 Taxation continued

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 2016 US$000	31 December 2015 US$000
Tax reconciliation		
Loss on ordinary activities for the year before tax	(6,673)	(14,660)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (31 December 2015: 20.25%)	(1,335)	(2,969)
Non-deductible expenses	1,200	1,613
Difference in tax rates in other jurisdictions	127	125
Deferred tax effect not recognised	167	1,475
Total taxation charge	**159**	**244**

The Company had tax losses carried forward on which no deferred tax asset is recognised. Deferred tax not recognised in respect of losses carried forward total US$5.4 million (31 December 2015: US$5.2 million). Deferred tax assets were not recognised as there is uncertainty regarding the timing of future profits against which these assets could be utilised.

10 Loss per Share

The calculation of basic loss per Ordinary share is based on a loss of US$6,832,000 (31 December 2015: loss of US$14,904,000) and on 266,296,528 Ordinary shares (31 December 2015: 263,131,736) being the weighted average number of Ordinary shares in issue during the year. Potentially dilutive share awards are detailed in note 20, however these do not have any dilutive impact as the Group reported a loss for the year, consequently a separate diluted loss per share has not been presented.

11 Exploration and Appraisal Costs

	31 December 2016 US$000	31 December 2015 US$000
Net book value brought forward	**108,438**	101,251
Additions	16,465	8,627
Farm-in proceeds	–	(1,440)
Impairment	(5,173)	–
Net book value carried forward	**119,730**	**108,438**

As at 31 December 2016 the net book values of the five cost pools are Central Blocks offshore Namibia US$49.8 million (31 December 2015: US$44.5 million), Southern Blocks offshore Namibia US$51.0 million (31 December 2015: US$50.1 million), Mauritania US$Nil (31 December 2015: US$4.9 million), Morocco US$5.0 million (31 December 2015: US$4.1 million) and Brazil US$13.9 million (31 December 2015: US$4.8 million).

Farm-in proceeds in 2015 are in relation to the farm-out of 25% of the Rabat Deep Offshore permits I-VI, Morocco, to a wholly owned subsidiary of Woodside Petroleum Limited, which completed on 23 December 2014.

As announced on 16 June 2016 the Company has elected not to enter into the First Renewal Phase of the C-19 licence in Mauritania causing an impairment of US$5.2 million.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

12 Property, Plant and Equipment

	Fixtures, fittings and equipment 31 December 2016 US$000	Fixtures, fittings and equipment 31 December 2015 US$000
Cost		
Brought forward	1,622	1,649
Additions	13	26
Disposals	–	(53)
Carried forward	1,635	1,622
Depreciation		
Brought forward	1,560	1,307
Charge	39	301
Disposals	–	(48)
Carried forward	1,599	1,560
Net book value brought forward	**62**	**342**
Net book value carried forward	**36**	**62**

13 Trade and Other Receivables

	31 December 2016 US$000	31 December 2015 US$000
Other receivables and prepayments	**2,123**	**1,306**

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

14 Inventory

	31 December 2016 US$000	31 December 2015 US$000
Wellheads and casing	**938**	**938**

In 2015 the Group assessed the carrying value of its inventory and provided for a write-down of US$6.6 million to net realisable value.

15 Cash and Cash Equivalents

	31 December 2016 US$000	31 December 2015 US$000
Analysis by currency		
US Dollar	21,184	31,403
Brazilian Real	3,383	7,823
Sterling	430	450
Namibian Dollar	23	23
Mauritanian Ouguiya	1	14
	25,021	**39,713**

As at 31 December 2016 and 31 December 2015 the US Dollar and Sterling cash is held in UK and Guernsey bank accounts. All other cash balances are held in the relevant country of operation.

As at 31 December 2016, the cash balance of US$25.0 million (31 December 2015: US$39.7 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2016 US$000	31 December 2015 US$000
Brazilian licences	103	7,216
Mauritanian licence	–	611
Moroccan licences	5,750	2,900
Namibian 2714B licence	300	300
	6,153	**11,027**

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

16 Trade and Other Payables

	31 December 2016 US$000	31 December 2015 US$000
Trade payables	1,926	1,600
Accruals	3,708	596
Tax Payable	8	10
	5,642	**2,206**

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

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

17 Share Capital

	Authorised			
	31 December 2016 Number	31 December 2016 US$000	31 December 2015 Number	31 December 2015 US$000
Ordinary shares of 1p each*	400,000,000	7,980	400,000,000	7,980

	Allotted, called up and fully paid			
	31 December 2016 Number	31 December 2016 US$000	31 December 2015 Number	31 December 2015 US$000
Ordinary shares of 1p each*	268,352,392	4,874	264,274,904	4,811

* 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.

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

Date	Description	Price US$	No of shares
31 December 2014	**Opening Balance**		**262,294,113**
17 July 2015	Issue of share award	3.11	210,000
17 July 2015	Issue of share award	0.50	813,008
17 July 2015	Issue of share award	0.39	103,222
17 July 2015	Issue of share award	0.10	396,478
17 July 2015	Issue of share award	2.95	12,768
17 July 2015	Issue of share award	0.33	154,168
17 July 2015	Issue of share award	0.09	52,120
19 August 2015	Issue of share award	1.36	15,000
19 August 2015	Issue of share award	0.50	30,000
19 August 2015	Issue of share award	0.08	17,642
24 November 2015	Issue of share award	0.50	134,417
24 November 2015	Issue of share award	0.06	41,968
31 December 2015			**264,274,904**
7 June 2016	Issue of share award	0.34	337,663
7 June 2016	Issue of share award	0.14	778,475
7 June 2016	Issue of share award	0.26	695,653
7 June 2016	Issue of share award	0.33	41,666
7 June 2016	Issue of share award	1.25	13,334
7 June 2016	Issue of share award	0.50	35,772
7 June 2016	Issue of share award	0.13	50,542
7 June 2016	Issue of share award	0.24	127,876
21 June 2016	Issue of share award	0.50	114,904
21 June 2016	Issue of share award	0.33	133,333
21 June 2016	Issue of share award	0.14	109,375
21 June 2016	Issue of share award	0.11	186,254
21 June 2016	Issue of share award	0.18	231,885
21 June 2016	Issue of share award	0.20	80,000
21 June 2016	Issue of share award	0.12	35,555
26 July 2016	Issue of share award	4.38	7,000
26 July 2016	Issue of share award	0.50	325,203
26 July 2016	Issue of share award	0.39	243,229
26 July 2016	Issue of share award	0.15	165,156
26 July 2016	Issue of share award	0.08	260,717
3 October 2016	Issue of share award	0.20	80,000
3 October 2016	Issue of share award	0.12	23,896
31 December 2016			**268,352,392**

18 Related Party Transactions

- Key management personnel comprises the Directors and details of their remuneration are set out in note 6 and the Directors' Remuneration Report.
- Westward Investments Limited ("Westward") is a company where Robert Sinclair is a Director of the Corporate Director and which is owned by a discretionary trust of which Adonis Pouroulis is one of a number of beneficiaries. During the year ended 31 December 2016, Westward received administrative services from an employee of Chariot for which Westward incurred fees payable to Chariot of US$Nil (31 December 2015: US$13,365). The amount outstanding as at 31 December 2016 was US$Nil (31 December 2015: US$Nil).
- Pella Resources Limited ("Pella") is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2016, Pella received administrative services from employees of Chariot for which it incurred fees payable to Chariot of US$Nil (31 December 2015: US$37,818). The amount outstanding as at 31 December 2016 was US$Nil (31 December 2015: US$Nil).
- Alufer Mining Limited ("Alufer") is a company where Robert Sinclair was a Director until 20 December 2016 and Adonis Pouroulis is a Director. During the year ended 31 December 2016, Alufer received administrative services from an employee of Chariot for which it incurred fees payable to Chariot of US$75,384 (31 December 2015: US$6,902). The amount outstanding as at 31 December 2016 was US$11,357 (31 December 2015: US$6,902) which was received post year end.

19 Financial Instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. Throughout the year ending 31 December 2016, no trading in financial instruments was undertaken (31 December 2015: US$Nil). There is no material difference between the book value and fair value of the Group cash balances, short term receivables and payables.

Market Risk
Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) and foreign exchange rates (currency risk). Throughout the year, the Group has held surplus funds on deposit, principally with its main relationship banks Barclays and BNP Paribas, on fixed short term deposits. The credit ratings of the main relationship banks the Group holds cash with does 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 Brazilian Real, Sterling, Namibian Dollars and Mauritanian Ouguiya to meet other non-US Dollar industry costs and on-going corporate and overhead commitments.

At the year end, the Group had cash balances of US$25.0 million (31 December 2015: US$39.7 million) as detailed in note 15.

Other than the non-US Dollar cash balances described in note 15, no other material financial instrument is denominated in a currency other than US Dollars. A 10% adverse movement in exchange rates would lead to a foreign exchange loss of US$384,000 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 2015: US$831,000).

Capital
In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable it to meet its working capital and strategic investment needs. The Group currently holds sufficient capital to meet its on-going needs for at least the next twelve months.

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19 Financial Instruments continued

Liquidity Risk

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

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

Credit Risk

The Group's policy is to perform appropriate due diligence on any party with whom it intends to enter into a contractual arrangement. Where this involves credit risk, the Company will put in place measures that it has assessed as prudent to mitigate the risk of default by the other party. This would consist of instruments such as bank guarantees and letters of credit or charges over assets.

At the year-end the Group acts as Operator in two non-carried joint venture relationships on two of the Group's licences and therefore from time to time is owed money from its joint venture partners. The joint venture partner which has a 20% interest in the Central Blocks in Namibia is an entity which is part owned by one of the world's largest seismic and geoscience companies. The joint venture partner which has a 25% interest in the Rabat Deep Offshore permits I-VI, Morocco, is an entity which is wholly owned by Australia's largest oil company.

As such, the Group has not put in place any particular credit risk measures in this instance as the Directors view the risk of default on any payments due from the joint venture partner as being very low.

20 Share Based Payments

Share Option Scheme

During the year, the Company operated the Chariot Oil & Gas Share Option Scheme ("Share Option Scheme"). The Company recognised total expenses of US$Nil (31 December 2015: US$Nil) related to equity settled share based payment transactions under the plan.

The options expire if they remain unexercised after the exercise period has lapsed. For options valued using the Black-Scholes model, there are no market performance conditions or other vesting conditions attributed to the options.

The following table sets out details of all outstanding options granted under the Share Option Scheme:

	31 December 2016 Number of Options	31 December 2015 Number of Options
Outstanding at beginning of the year	**4,000,000**	**4,000,000**
Lapsed during the year	(1,000,000)	–
Outstanding at the end of the year	**3,000,000**	**4,000,000**
Exercisable at the end of the year	**3,000,000**	**4,000,000**

The range of the exercise price of share options exercisable at the year-end falls between US$0.33 (27p) – US$1.54 (125p) (31 December 2015: US$0.37 (25p) – US$1.85 (125p)).

The estimated fair values of options which fall under IFRS 2 and the inputs used in the Black-Scholes model to calculate those fair values are as follows:

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend
1 September 2011	£0.87	£1.29	£1.25	80%	5 years	4.3%	0%
22 April 2013	£0.11	£0.186	£0.273	80%	5 years	1.5%	0%

Expected volatility was determined by calculating the annualised standard deviation of the daily changes in the share price.

20 Share Based Payments continued

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 that the award relates.

The Group recognised a charge under the plan for the year to 31 December 2016 of US$734,000 (31 December 2015: US$978,000).

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

	31 December 2016 Number of awards	31 December 2015 Number of awards
Outstanding at beginning of the year	**10,348,522**	**7,953,614**
Granted during the year	8,133,661	4,597,143
Shares issued for no consideration during the year	(3,905,162)	(1,980,791)
Lapsed during the year	(229,743)	(221,444)
Outstanding at the end of the year	**14,347,278**	**10,348,522**
Exercisable at the end of the year	**4,074,236**	**3,920,950**

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 2016 of US$53,000 (31 December 2015: US$126,000).

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

	31 December 2016 Number of awards	31 December 2015 Number of awards
Outstanding at beginning of the year	**1,421,267**	**1,259,191**
Granted during the year	463,767	208,408
Shares issued for no consideration during the year	(172,326)	–
Lapsed during the year	(152,835)	(46,332)
Outstanding at the end of the year	**1,559,873**	**1,421,267**
Exercisable at the end of the year	**532,978**	**557,398**

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2016

21 Contingent Liabilities

From 30 December 2011 the Namibian tax authorities introduced a withholding tax of 25% on all services provided by non-Namibian entities which are received and paid for by Namibian residents. From 30 December 2015 the withholding tax was reduced to 10%. As at 31 December 2016, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2015: US$Nil). Any subsequent exposure to Namibian withholding tax will be determined by how the relevant legislation evolves in the future and the contracting strategy of the Group.

22 Events after the Balance Sheet Date

a) Approval of farm-out agreement
On 9 January 2017 the Company announced that the farm-out signed between its wholly owned subsidiary, Chariot Oil & Gas Investments (Morocco) Limited and a wholly owned subsidiary of Eni, which was detailed in the announcement of 30 March 2016, had been approved for the Rabat Deep Offshore permits I-VI by the Moroccan authorities. As a result of this approval, operatorship of these permits has been transferred to Eni.

The licence ownership is now as follows: Eni (operator, 40% equity interest), Woodside (25% equity interest), Chariot (10% equity interest) and Office National des Hydrocarbures et des Mines (“ONHYM”) (25% carried interest).

b) Award of Kenitra Offshore Exploration Permit
On 16 February 2017 the Company announced that its wholly owned subsidiary, Chariot Oil & Gas Investments (Morocco) Limited, had been awarded a 75% interest and operatorship of the Kenitra Offshore Exploration Permit (“Kenitra”), Morocco in partnership with the Office National des Hydrocarbures et des Mines (“ONHYM”) which holds a 25% carried interest.

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