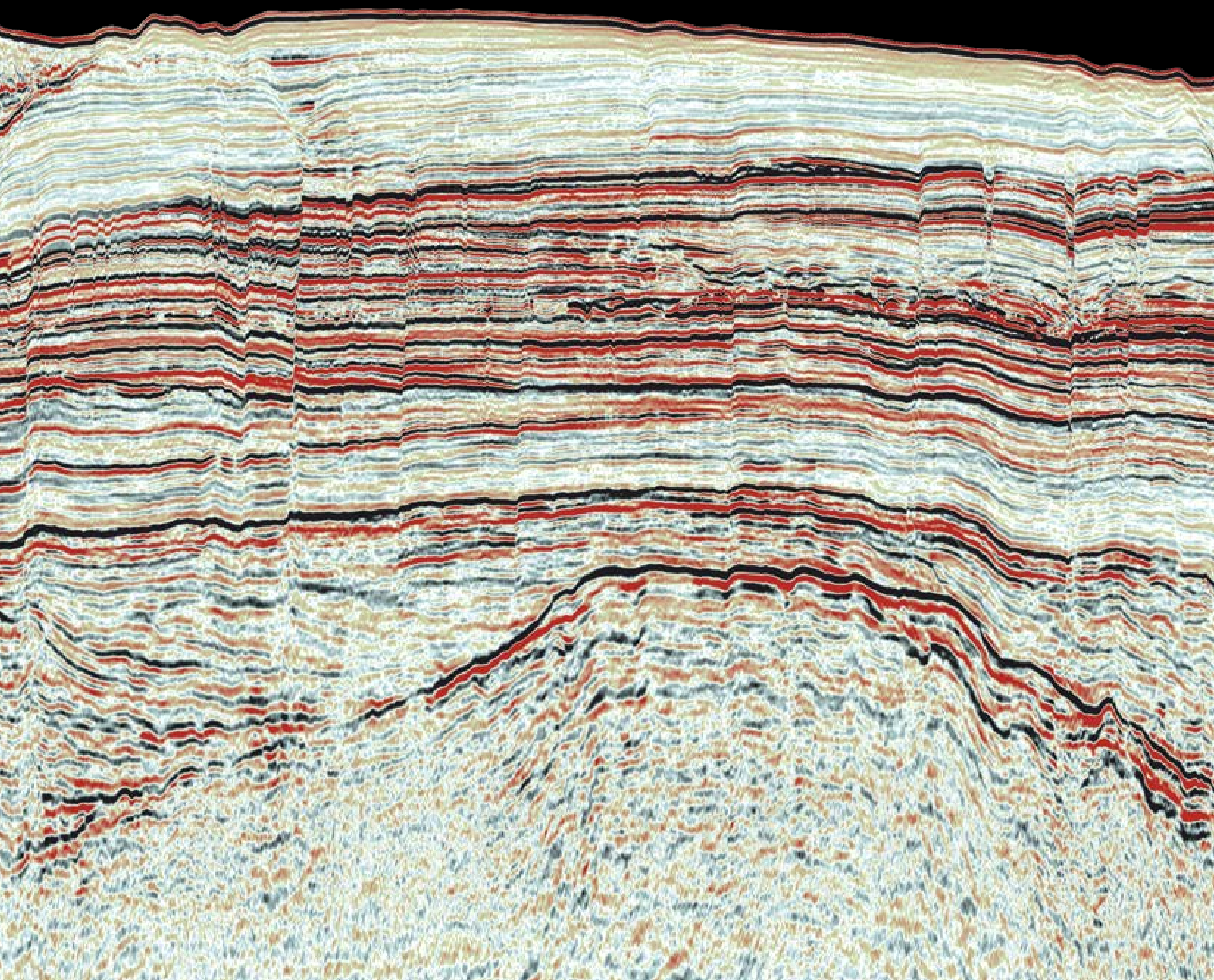
Chariot Oil & Gas Limited Annual Report and Accounts 2014

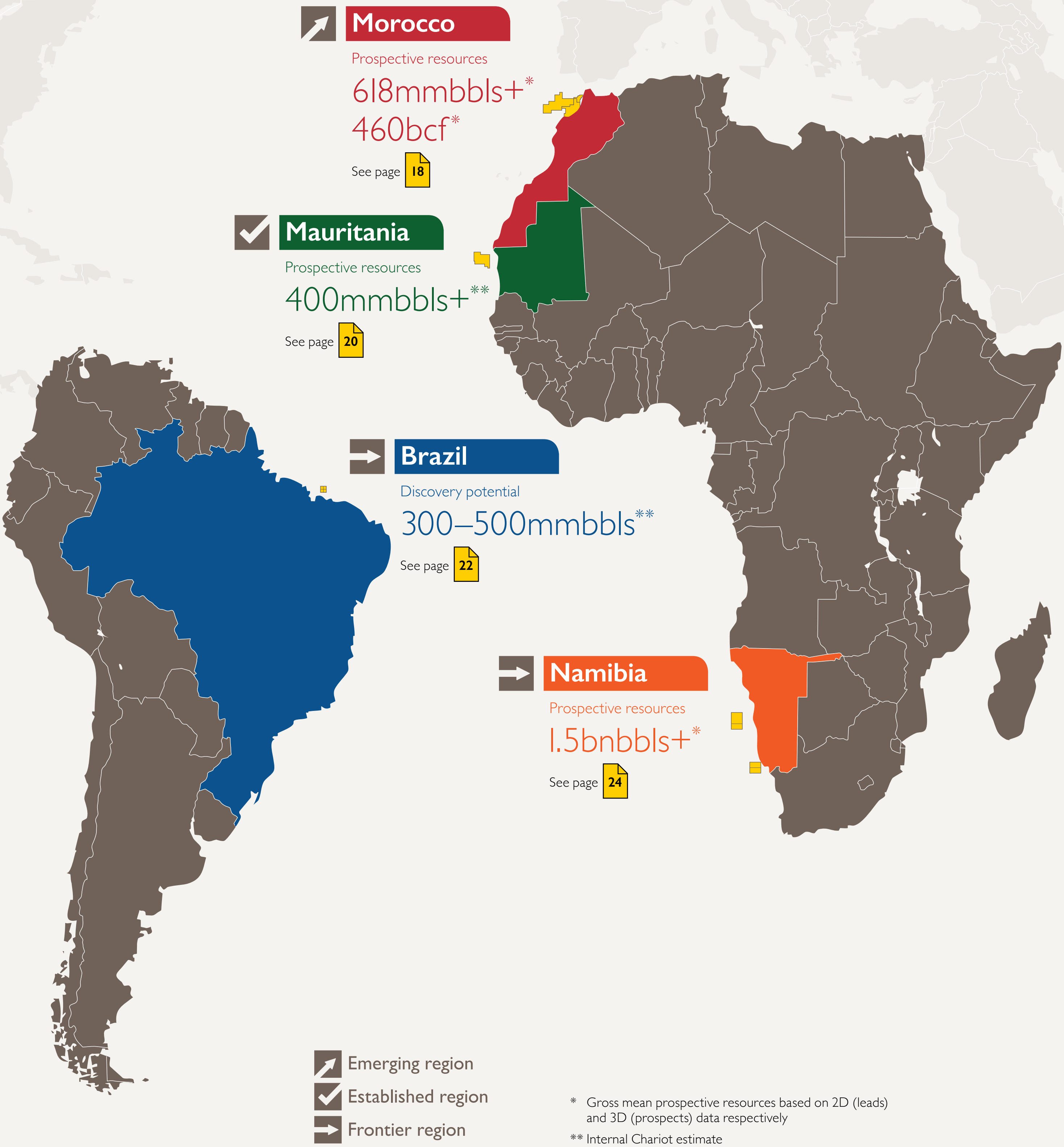
Growth Through Exploration



Chariot at a Glance

Giant potential with a balance of risk and exploration maturity.

Chariot is an independent AIM-listed Atlantic margins oil and gas exploration company. We explore in emerging and frontier basins with the goal of delivering transformational value through the discovery of material accumulation of hydrocarbons.



* Gross mean prospective resources based on 2D (leads) and 3D (prospects) data respectively

** Internal Chariot estimate

Message from the CEO

Chariot has continued to deliver on its focused strategy by partnering in Morocco and Brazil, maintaining a strong balance sheet through capital discipline, maturing its assets and demonstrating high margin, giant potential prospectivity at the same time as positioning the entire portfolio to ensure low commitments and long licence periods.

Current market conditions in the oil and gas industry are challenging, and we will look to manage those that affect our business accordingly, but we also see this as a time of real opportunity for well funded and well positioned companies such as Chariot. We will continue to progress our existing portfolio, as well as look to capitalise on our position of strength and take advantage of prospective assets that have the potential to create shareholder value over the longer term.

Larry Bottomley, Chief Executive Officer

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Chairman's Statement

Chariot's goal is to create transformational value through the delivery of material hydrocarbon accumulations. Through its focus on opportunities in new and emerging basins the Company has built a portfolio of high margin, giant potential prospects and leads. This type of exploration is high risk and, as a consequence, Chariot's focus is on de-risking the Company's assets as far as possible while enhancing and maturing the portfolio.

George Canjar, Chairman

The past 12 months have seen Chariot continue to deliver solid results consistent with its strategy to de-risk the business, mature its assets and actively manage the portfolio. These results exhibit the primacy of capital discipline combined with the effective transition to optimised tactical positioning in each project area.

Chariot now holds assets with giant potential in four countries, in different geological basins, with varying levels of maturity and risk. The Company has no debt, a strong cash position, is fully funded to carry out all of its commitments and holds licences with excellent commercial terms. In the near term, this means that Chariot is well positioned to withstand and capitalise on current market conditions. In the longer term, the Company aims to further develop a balanced, robust and sustainable business that provides the Company the opportunity to deliver on its giant potential through the drill bit.

Consistent Delivery on the Strategy: Managing Risk and Enhancing the Portfolio

Chariot's goal is to create transformational value through the delivery of material hydrocarbon accumulations. Through its focus on opportunities in new and emerging basins the Company has built a portfolio of high margin, giant potential prospects and leads. This type of exploration is high risk and, as a consequence, Chariot's focus is on de-risking the Company's assets as far as possible while enhancing and maturing the portfolio. This year we have continued to do this in a number of ways:

Successful Partnering

By securing industry partners, the Company shares the financial and technical risk associated with each asset at each phase of exploration and this has been a key component of de-risking the portfolio to date. By interacting with the industry in this way, the Company is able to obtain third party validation and endorsement of the technical potential of its assets. In addition, our partners bring additional expertise to further mature and optimise the technical progression to drill ready prospects.

Funds received from leveraged partnerships aim to cover back costs and a share or carry of future expenditure. In addition to Cairn Energy Plc's ("Cairn") participation in Mauritania, this year Chariot also secured Woodside as a seismic partner offshore Morocco (with an option to carry Chariot on a well) and AziLat Limited ("AziLat") in Brazil (subject to various approvals). As a result, Chariot is currently at near zero cost in Mauritania and Morocco, half cost in Brazil and retains option acreage for partnering on both seismic and drilling in offshore Namibia.

Portfolio Management and Strategic Positioning

A core component of the strategy is to secure large equity positions in large licences with long licence terms when entering a new region. This provides not only a strong negotiating position during partnering but also the ability to retain a material stake at the point of drilling. As each asset becomes more technically mature, it is continuously measured against the fundamental goals of the Company and its ability to deliver transformational results within strict risk capital constraints. Furthermore, in obtaining long terms on each licence, the Company is able to position itself as a fast follower, rather than as a play opener, in these high risk and relatively underexplored regions. This means that it can take advantage of technical information from third party activity prior to drilling, and at no cost.

An example of this strict adherence to portfolio management can be seen within the Company's repositioning of its Namibian assets during the period. Following the evaluation of significant amounts of proprietary seismic and well data and the integration of information from third party drilling, the team opted to relinquish its Northern Blocks which, whilst prospective, were deemed too high risk to fit with the Company's zero cost exploration aspiration.

Similar analysis was also applied to the Central and Southern Blocks in Namibia in which lower risk, high potential prospects and leads have been identified. These targets also have significant follow-on potential which further justifies continued exploration and expenditure. Given the timing associated with the exploration period on these licences, Chariot chose to relinquish and simultaneously apply for them to be re-awarded, thus removing potentially prohibitive commitments and also shifting the Company to a fast follower position relative to competitors. This careful management not only exemplifies Chariot's good standing in the country but also means that it now has further time and optionality in partnering discussions as well as the opportunity to learn from third party drilling activities taking place prior to Chariot having to commit to its own drilling programmes.

Managing Risk

Continued third party validation	Fast follower positioning achieved across entire portfolio	Further matured prospect inventory towards "drill ready" status

Chairman's Statement
(continued)

Continued Maturation of the Portfolio
Chariot regards its technical capabilities as fundamental to the Company's ability to succeed in creating transformational growth. This year, the team has continued to carry out substantial technical work in order to progress the portfolio towards drilling and, through the analysis of its own proprietary data as well as that from third party activity, each asset has been matured to the next stage of development.

As well as its giant, drill ready Prospect B in Namibia, the team has identified four drill ready prospects, each in excess of 400mmbbls gross mean prospective resources (internal estimates), offshore Mauritania, and is evaluating final PSDM data to determine a drilling location in its JP-1 Prospect offshore Morocco. This work is the result of extensive seismic acquisition and processing programmes which the team has carefully interpreted and, in the case of Mauritania, has also carried out substantial additional inversion and spectral decomposition analysis.

Owing to the diversity of the portfolio, it contains a range of maturity and further seismic programmes are due to be carried out in 2015. In Q1 2015 2D data was acquired offshore Namibia to identify optimal locations for 3D seismic and a 3D programme is planned to identify the potential for drillable prospects offshore Brazil.

Capital Discipline
Throughout this year Chariot has continued to guard its cash reserves in order to be able to lead partnering negotiations from a position of strength, fund its commitments and to capitalise on opportunities that can provide additional value and flexibility to the portfolio.

When the current executive was appointed at the end of 2012, Chariot held approximately US$68 million on the balance sheet. Since then, it has invested approximately US$65 million in the business and ended 2014 with a cash balance of US$53.5 million. This has been achieved through the team's continued focus on capital discipline – despite doubling the number of subsurface experts within its in-house team, G&A costs have not increased – and the partnering proceeds, as well as a successful Placing of US$15 million (gross) in August 2014, means that it is financially robust during a challenging time in the equity markets and in the broader E&P sector. Given its low commitments, long licence terms and zero debt, Chariot is well positioned to use its expertise and balance sheet to capitalise on opportunities that become available as a result of the recent decline in the oil price.

Governance

It has been a pleasure to chair the Chariot Board this year and I believe we have a very good balance of corporate, financial and technical expertise within our management skillset. In February 2014, we welcomed Bill Trojan and Dave Bodecott as Non-Executive Directors, who both bring extensive knowledge of the industry and a deep understanding of exploration plays within the Atlantic margins. Their contributions to Board discussions have been invaluable and we look forward to continuing to benefit from their capabilities and insight in the future.

We were also pleased that, with these additional members, we were able to add to the make-up of our Nomination, Audit and Remuneration Committees. In addition, we were able to renew our Corporate Governance Committee, with a majority membership of Independent Non-Executive Directors which is chaired by Dave Bodecott, who is now Senior Independent Non-Executive Director. We are dedicated to ensuring that we maintain the highest corporate governance standards as far as possible and the committee will look to deliver this on an ongoing basis.

Ongoing Portfolio Development

Four giant prospects identified offshore Mauritania each of

400mmbbls+*

gross mean prospective resources

* Internal Chariot estimate

$1{,}700km^2$

3D seismic acquired offshore Morocco

Regional Relationships

Chariot considers its relationships with its regional partners as crucial to the overall success of the business. The positioning of the portfolio that was secured during 2014 underlined the strong relationships that Chariot has developed within each country of operation and was indicative of the governments' endorsement of Chariot's continued high quality technical work and commitment to the development of these frontier regions. We maintain close relations with our partners, including the national oil companies, local empowerment partners and service companies, with regular technical and operational meetings both to share knowledge and facilitate communications. I would like to take this opportunity to thank the Governments and Energy Ministries of Morocco, Mauritania, Brazil and Namibia for their continued support and co-operation as well as ONHYM, SMHPM and NAMCOR, with whom we are partnered, for their ongoing technical insight and collaboration.

Conclusion

Despite the markets being difficult over the past few months, reflected in both our share price and the wider AIM and FTSE oil and gas sector, Chariot has maintained its focus on adding value to the business.

As we enter 2015 in a financially robust position, with a large portfolio of identified high volume opportunities, Chariot will focus its attention on high quality new ventures to further develop sustainable and de-risked business results whilst continuing to mature its portfolio and looking to partner for drilling.

George Canjar
Chairman
19 March 2015

Classic Jurassic source rock

Focused Strategy

De-Risking for Future Growth

Goal

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

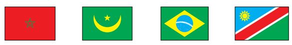
Strategy

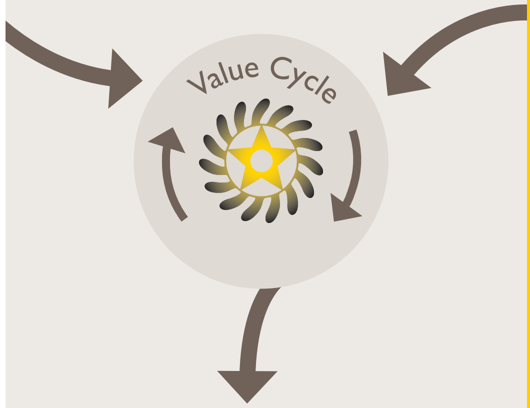
Chariot uses its in-house technical team to identify and access exploration opportunities with giant potential in new and emerging basins. At the same time as applying the most up to date technology and maturing these assets towards drilling, the team looks to de-risk its portfolio through obtaining an operated, fast follower positioning, securing levered partnerships at each investment phase, actively managing and diversifying the portfolio and maintaining its capital discipline. From this, the team looks to build a sustainable business, with a pipeline of high margin, giant potential prospects with excellent commercial terms. On delivering drilling success, the Company intends to return transformational shareholder value through the early monetisation of discoveries and put funds back into the business to continue the value cycle and develop further opportunities.

Access

New exploration opportunities

- Secure large acreage positions in new and emerging basins
- Take operatorship in the early phases to maintain control over destiny
- Lever exploration expertise and industry reputation





De-Risk

Positioning

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

Drill

Deliver the work programme

- Mature portfolio to "drill ready" status and accelerate the drilling programme
- Return transformational shareholder value by the early monetisation of discoveries

Strategic Pillars

Experienced Team

- Management team with a track record of securing funding and delivering exploration success
- History of accessing quality acreage ahead of the industry
- 200+ years of experience
- Participated in the discovery of over 40 fields with 14 major discoveries

Strong Positioning

- Fully funded with US$53.5 million YE 2014
- Long licence terms and low commitments
- Giant potential, high margin assets
- Opportunistic approach to new venture screening

Risk Management

- A diversified portfolio with a range of technical and regional maturity
- Fast follower positioning and partners secured at each phase of investment
- Consistent focus on capital discipline

Continued Delivery

2014 and Post Period Highlights

With Chariot's focus on risk management, the Company has continued to deliver on its strategy over the past year:

Continued Development of High Potential Portfolio

Morocco | Mauritania | Brazil | Namibia | New Ventures

Successful Partnering

Woodside in Rabat Deep Offshore permits, Morocco – 25% equity for reimbursement of all back costs and a carry on additional data acquisition (Chariot retains a 50% operating interest)

AziLat in four offshore permits, Brazil – AziLat to acquire a 25% stake in licences (subject to various approvals) in return for paying back costs and 50% of upcoming 3D seismic programme (Chariot retains a 75% operating interest)

Ongoing Portfolio Management

Long licence periods with low commitments and advantageous commercial terms secured across all licences

Addition of the Mohammedia Reconnaissance licence ("Mohammedia"), Morocco, covering play extension to Rabat Deep and Loukos; relinquishment of high risk Northern Blocks, Namibia, with a final impairment of US$33.6 million on this licence

Fast follower positioning achieved throughout the portfolio:
– Re-award of Central Blocks 2312 & 2412A and Southern Block 2714A, Namibia

Strong Leadership Team in Place

Bill Trojan and Dave Bodecott appointed as Non-Executive Directors – enhancing the Board's breadth of technical expertise

Capital Discipline

Debt free with a cash balance of US$53.5 million as at 31 December 2014:
– Placing completed in August 2014 raising gross proceeds of ~US$15 million
– Farm-out to Woodside brought Chariot close to "zero cost" in Morocco with US$10.7 million of cash received to date and remaining funds to be received in H1 2015
– Fully funded for all commitments with sufficient cash to pursue additional opportunities

MOROCCO

See page 18

– Farm-out on Rabat Deep – near zero cost
– Mohammedia awarded
– Giant prospectivity and priority drilling target JP-1 and follow-on Prospect JP-2 identified
– All licence commitments fulfilled: final evaluation of 1,700km^2 3D seismic underway
– Dataroom due to open to identify potential partners on Mohammedia and Loukos Q2 2015

MAURITANIA

See page 20

– All licence commitments fulfilled – near zero cost
– Reprocessing, inversion and core analysis of 3D data resulting in maturation of four giant prospects
– Dataroom opened to potential drilling partners

BRAZIL

See page 22

– Seismic farm-out (subject to various conditions) – half cost
– Completed reprocessing and interpretation of legacy 2D seismic data across all licences: giant leads identified
– Submitted Environmental Impact Assessment ("EIA") for upcoming 3D seismic programme
– Dataroom opened to identify further 3D seismic partner

NAMIBIA

See page 24

– Repositioning of acreage, removing imminent well commitments
– Central Blocks:
  • Acquisition of 1,700km 2D programme completed to define key targets to optimise 3D seismic programme location
  • Dataroom reopened to identify seismic/drilling partners
– Southern Blocks:
  • All licence commitments fulfilled following acquisition of 2D seismic in order to optimise 3D seismic programme location

NEW VENTURES

– Continuing new venture screening process for value-accretive assets
– Focus on diversifying the portfolio by broadening and balancing risk profile

Chief Executive Officer's Review

With the high margin, giant potential assets held within our portfolio, a focused strategy, the strength of our team and our financial flexibility, we will look to continue to deliver on the business plan. Diversifying, de-risking and a strict adherence to capital discipline will continue to be the pillars that underpin the Company going forward and we will continue to focus on balancing our portfolio and maturing our prospects towards drilling.

Larry Bottomley, Chief Executive Officer

Highlights

Consistent focus on managing risk and positioning the business for sustained success over the longer term

Continued to attract and secure industry and financial partners

Further matured and enhanced all assets within the portfolio – identified new targets for drilling

Adapted the strategy – broadening the risk profile to further balance the portfolio

Strong position within the current climate with the financial flexibility to take advantage of opportunities and deliver the business plan

Oil and gas exploration is a high risk business and Chariot's goal – the exploration for and discovery of transformational hydrocarbon accumulations in new and emerging basins – falls in the higher part of this spectrum. Current market conditions are also part of the cyclical risk inherent in the global oil and gas business which have had a big impact sector wide. It is for these reasons that Chariot focuses on managing its risk and positioning the business for sustained success over the longer term.

This year we have continued to use our in-house skillset to focus on portfolio diversity and management, the application of technology, levered partnering and capital discipline, all of which we have delivered. It is also important, however, to continuously test these achievements within the business environment within which we work. Whilst markets have been relatively risk-averse over the past year, our high potential assets have continued to attract both industry and financial partners. We believe that even in the current climate, the potential material upside of our high margin portfolio still stands as transformational. However, we also need to respond to the effects that a decreased oil price has had on the wider market and how this will impact our own strategy. There will be new opportunities that will now become accessible to us but, owing to a decrease in investment, there will also be challenges. As a result, whilst the goal and strategy of the Company will not change, we have had to consider carefully how the focus of the Company's strategy needs to adapt in order to continue to pursue and realise the value from our high impact portfolio.

Chariot's Strengths within the Changing Business Environment

High Margin, Giant Potential Assets with Excellent Commercial Terms

The recent decline in the oil price has naturally resulted in a reduction of revenue from production for the E&P industry, which has materially affected the scale of investment. Whilst we see this putting pressure on lower margin plays, production from high volume deepwater assets, such as those targeted by Chariot, has materially lower break-even economics, meaning that Chariot retains its capacity for transformational value. This also provides the possibility for a shift in capital investment, where some resource plays become uneconomic or provide a modest return, whilst the performance of high margin, conventional oil and gas becomes more attractive.

Crucial to Chariot is that it has a deepwater, high margin focus and that the regions in which it explores are emerging and frontier, meaning that the commercial licence terms in which it explores are designed to attract investment to balance the risk, and early movers benefit from such terms. In Morocco, for example, a ten year tax holiday means that a contractor can retain a 75% share after taking account of the Moroccan State's share. In more established basins, such as Angola or Nigeria, access is more expensive, commitments are higher and the retained contractor share is far lower.

Lower E&P Investments will Translate to Lower Service Costs

A reduction in the investment within the sector has seen a significant decline in the costs of oil and gas services, from seismic through to drilling and completion. As Chariot has noted previously, whilst less will be invested, these dollars will go further. This has been demonstrated by the tendered costs of Chariot's 3D seismic campaign in Brazil which have been halved in the last eight months, with similar cost saving opportunities becoming available in Namibia.

Well Funded, No Debt, Low Commitments, Long Licence Periods

Capital requirements and financial strength will be key issues for companies with high level licence commitments or large debt repayments. Chariot is fortunate to have a strong balance sheet and carry no debt and as a consequence has all of its commitments fully funded and cash on hand to deploy into potential new ventures, further to the successful fundraising completed in August 2014. Importantly, Chariot has long licence periods with low remaining commitments which provides time to continue the maturation of the portfolio and to continue the partnering programme.

Ability to Evaluate New Opportunities

Chariot's geotechnical team is fundamental to effective evaluation of the range of opportunities that are becoming available and identifying those that will add tangible value and fit well within the risk profile. Chariot has a set of strict screening criteria used to establish whether potential assets have the required attributes that would make for a value-accretive addition to the portfolio.

Chief Executive Officer's Review
(continued)

Adapting the Strategy to the Changing Business Environment

Challenges and Opportunities
Given the widely publicised cuts in sector capital expenditure budgets, Chariot is likely to see fewer companies attending its datarooms, which it will continue to host at each investment phase across the portfolio as part of its risk management and capital discipline. To date, the team's ability to attract supermajors, majors and large independents as partners is testament to its ability to access attractive acreage and de-risk with high quality descriptions whilst maximising the high potential of its assets. In this context, whilst partnering will be more challenging, we believe our assets remain attractive.

It was also for this reason, however, that Chariot chose not to pursue the new venture that it applied for in the summer of 2014. The potential addition of a further underexplored, early phase asset during a time of tightening farm-out markets meant that this asset added additional risk to Chariot's zero cost exploration aspiration. Thus, whilst the asset remained technically attractive, it no longer fitted within the risk profile that the team was looking to develop.

Chariot has built a diverse portfolio in terms of geography, basins and plays and whilst the assets all offer giant potential they are all high risk within the exploration risk spectrum. Whilst this provides the Company with prospects for transformational growth, it is prudent to look to identify opportunities that offer a chance to broaden its risk profile that will further balance the portfolio and allow for the possibility of a self-sustaining business. In the current climate, some companies are focusing on core assets, falling into distress due to unfunded or debt commitments, and as a result a new wave of opportunities is becoming available. It is therefore the Company's aim to capitalise on the changing deal flow and utilise the funds raised for new ventures, with a focus on lower risk assets.

Upcoming Activity

Chariot will continue to mature its assets and focus on the pursuit of partnered wells for its current, high impact portfolio. This will be achieved through its ongoing work programmes, technical evaluation and descriptions for potential partners. At the same time, it will take an opportunistic approach to its pursuit of business development in the current climate.

As well as its own work programmes, Chariot will look to benefit from its portfolio-wide fast follower positioning, from which it will be able to integrate third party play opening exploration drilling into its own technical understanding. Whilst sector exploration programmes have been reduced, there are several important wells due to be drilled in Morocco, Mauritania and Namibia over the coming 18 months and in the Barreirinhas Basin ten wells are expected to be drilled in the next two to three years, prior to Chariot entering its drilling phase.

Chariot's Team

Key to identifying and creating value – growing reputation for delivery within the industry

Doubled number of subsurface experts whilst retaining G&A costs at same level

200+ years
of experience in-house

Future Focus: 2015 and Beyond

Licence
Morocco
Rabat Deep
Mohammedia Reconnaissance
Loukos
Mauritania
C-19
Brazil
BAR-M-292 BAR-M-293 BAR-M-313 BAR-M-314
Namibia
Central Area
Southern Area
New Ventures

The Chariot Team

Chariot retains the majority of its technical work in-house and it is from this skillset that we have been able to identify our asset base and build on the portfolio to date. As evidenced by continued successful partnering, the team provides high quality descriptions of its assets and has a growing reputation within the industry.

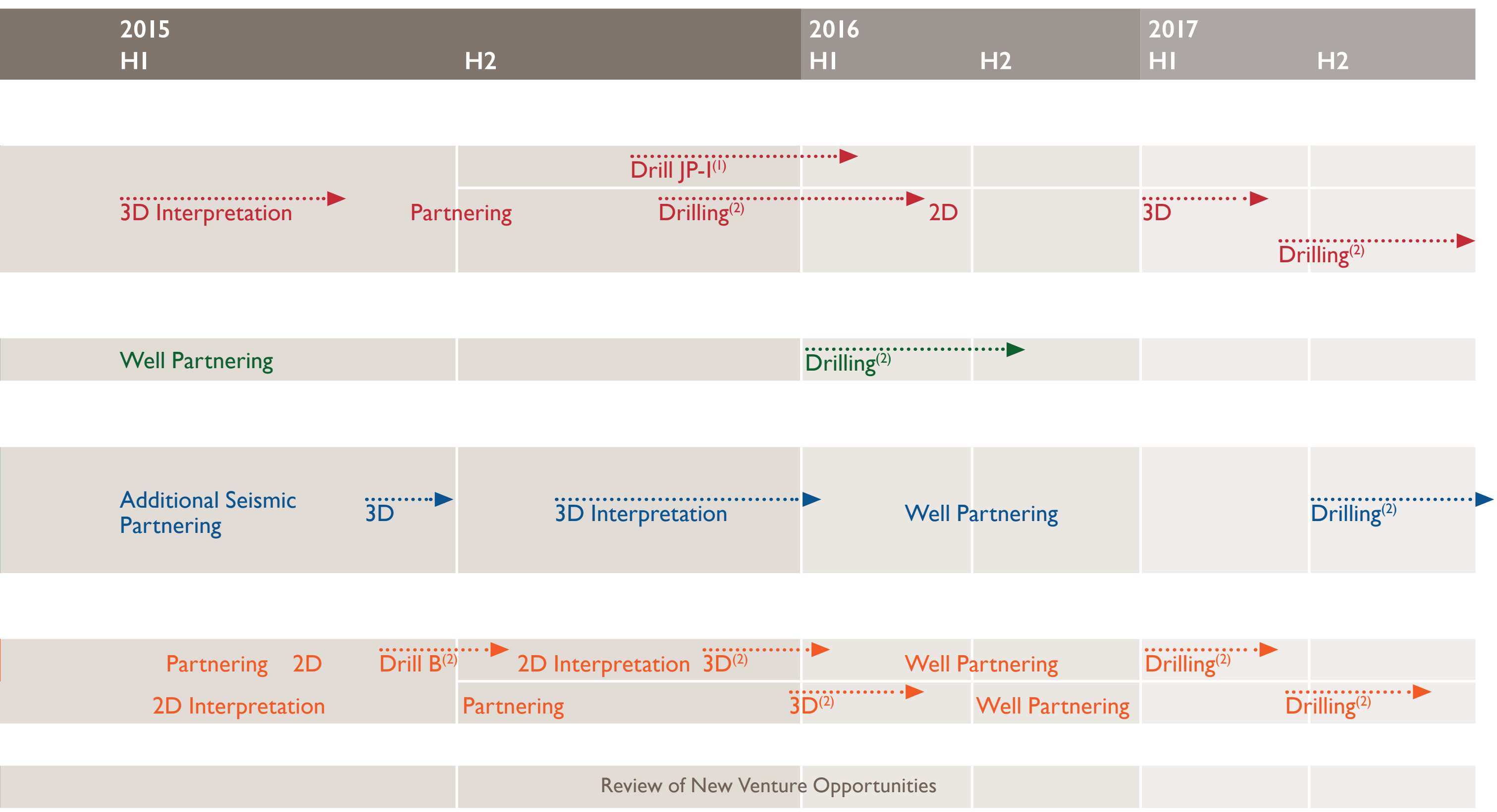
The importance of this investment in intellectual capital is also evidenced by the ability of the team to capitalise on their deep regional knowledge of the portfolio. Whilst giant potential has been identified in all of Chariot's countries of interest, the team also looks to use its expertise to secure opportunities that may provide significant follow-on potential in the case of drilling success. This year, this was demonstrated in the acquisition of the Mohammedia Reconnaissance licence in Morocco, where prospectivity was seen to extend from the Company's Loukos and Rabat Deep licences, which has resulted in the identification of the giant Prospect JP-2. Chariot will continue to use this ability to evaluate potential opportunities in the pursuit of new ventures.

Our people are the key to identifying and creating value and I would like to take this opportunity to thank the Chariot team for another year of hard work and dedication.

Looking Forward: Positioned to Take Advantage of Opportunity

With the high margin, giant potential assets held within our portfolio, a focused strategy, the strength of our team and our financial flexibility, we will look to continue to deliver on the business plan. Diversifying, de-risking and a strict adherence to capital discipline will continue to be the pillars that underpin the Company going forward and we will continue to focus on balancing our portfolio and maturing our prospects towards drilling. We view the current climate as one that will work well for those who are able to be opportunistic and we look forward to continuing our progress over the coming year.

Larry Bottomley
Chief Executive Officer
19 March 2015



(1) Drilling assuming Woodside full carry (2) Subject to acquiring partners

Strong Positioning

The Evolution of the Business Environment

The recent decline in the oil price has materially affected the scale of investment across all sectors of the exploration and production industry, and this will make for a more challenging business environment over the coming years.

The effects of a reduced oil price on the wider sector can be seen in a number of ways:

Reduction in Revenue from Production

This results in significant pressure on lower margin resource plays whereas production from large reserve deepwater assets such as those targeted by Chariot can have materially lower break-even economics and still have compelling investment fundamentals. This means that we expect a larger proportion of overall investment to be targeted towards those assets that have the potential for delivering high margin production.

Impact of Commercial Terms

High taxation, bank guarantees and State participation can further squeeze margins. Retaining a high equity stake and having good commercial terms are key to the capital returns achievable from high impact exploration.

Reduction in Service Costs

A lower oil price has also contributed to cuts in capital expenditure budgets leading to a decline in exploration activities. This has had a subsequent impact on the cost of oil and gas services, from seismic to drilling and completion. As a consequence, although there will be fewer dollars invested, those dollars will go further.

Reduction in Investment in the Sector

There has been a reduction in appetite for investment in the sector and, as a result, accessing funds from the capital markets on a commercial basis will be harder to achieve in the current climate.

New Opportunities

In this environment, distressed or otherwise previously unobtainable assets will become available, providing an opportunity for companies in a strong position to look to be countercyclical.

Why Chariot?

As a result of its achievements over the last year, Chariot stands financially robust and technically capable of taking advantage of opportunities that may arise as a result of external factors affecting the oil and gas industry.

Key fundamentals for prospering in a lower oil price environment

Strong balance sheet/ no–low debt/no–low commitments

Chariot's position

US$53.5m

year end cash position 2014

Strong balance sheet

No debt

Low commitments

Chariot has a long term on each of its licences with low to no remaining commitments

GEO Celtic, used for 3,500km² 3D seismic acquisition 2013, Mauritania

High margin assets

2bnbbls+

of gross mean prospective resources

High margin assets for potential partners

Chariot's deepwater acreage provides opportunity for transformational value, even in a reduced oil price environment

Giant potential

Multi 400mmbbls+ gross mean prospective resource prospects with significant follow-on potential

Excellent commercial terms

Owing to the early entry point and relatively underexplored regions in which we operate, Chariot has excellent commercial terms on its licences

Ability to capitalise on opportunity

Quality team with strategic focus

Strong position with ability to screen and evaluate

- Current portfolio positioning gives flexibility to seek out additional assets
- Team with a growing reputation for delivery
- Chariot's in-house skillset and deep technical understanding ensures it is able to identify and evaluate new opportunities that were previously unobtainable

Focus on diversifying the portfolio by broadening and balancing risk profile

Outlook 2015

Strategic Focus

Continue to develop and de-risk the portfolio in line with the strategy:

– Seek additional partners to share in the risk and costs of exploration
– Further define and mature asset descriptions to optimise the chance of success with the drill bit

Refocusing of the New Venture effort to capture opportunities coming available in current business environment

Adhere to strict capital discipline

– Continue stringent cost control on G&A and operational expenditure

> As we enter 2015 in a financially robust position, with a large portfolio of identified high volume opportunities, Chariot will focus its attention on high quality new ventures to further develop sustainable and de-risked business results whilst continuing to mature its portfolio and looking to partner for drilling.

George Canjar, Chairman

Chief Financial Officer's Review

The Group is well funded to continue investing into its business and portfolio throughout 2015 and beyond.

Mark Reid, Chief Financial Officer

Financially Robust

Cash at 31 December 2014	Year-on-year cash balances reduced by
US$**53.5**m	US$**3.2**m

Funding and Liquidity as at 31 December 2014

During 2014, the Group continued with the development of its portfolio and business by investing c.US$27 million into its exploration portfolio and administration activities (31 December 2013: c.US$38 million). Despite this significant investment, the Group's cash balances only reduced by US$3.2 million to US$53.5 million as at 31 December 2014 (31 December 2013: US$56.7 million) due to the receipt of US$10.3 million from Woodside, being the majority of the proceeds from the farm-out of 25% of the Rabat Deep licence, Morocco, and c.US$14 million net of fees from the Company's share Placing in the second half of 2014. Similar to what was achieved in 2013 with Cairn and Mauritania, this recovery from Woodside of previous amounts invested into the Rabat Deep licence is another example of the Group achieving zero cost exploration in its portfolio. The Group remains debt free as at 31 December 2014 and, applying strict capital discipline, it will continue to invest in its portfolio and business activities during 2015 and beyond. As at 31 December 2014, US$13.4 million (31 December 2013: US$16.0 million) of the Group's US$53.5 million (31 December 2013: US$56.7 million) cash balances were held as security against licence work commitments.

Financial Performance – Year Ended 31 December 2014

The Group's loss after tax for the year to 31 December 2014 was US$41.8 million, which is US$31.3 million higher than the US$10.5 million loss incurred for the year ended 31 December 2013. This US$31.3 million increase in the annual loss is mainly due to the US$33.6 million impairment recognised against previously capitalised costs in the Namibian Northern Blocks due to the licence's relinquishment in 2014. The share based payments charge of US$1.7 million for the year ended 31 December 2014 was US$0.5 million lower than the US$2.2 million in the previous year due to the vesting of historic employee deferred share awards.

Other administrative expenses of US$6.1 million for the year ended 31 December 2014 is broadly unchanged from the previous year (31 December 2013: US$6.0 million).

Finance income of US$1.5 million for the year ended 31 December 2014 is US$0.7 million higher than the US$0.8 million received during the previous year mainly because the cash secured against the Brazil licence work commitment has been invested in a high interest deposit account for the full year during 2014 compared to only six months during 2013.

Finance expense of US$1.6 million for the year ended 31 December 2014 is higher than the US$1.2 million incurred in 2013 due to the continued weakening of the Brazilian Real and its impact on the Group's local currency cash security held against licence work commitments in Brazil.

The tax expense of US$0.3 million in the year to 31 December 2014 relates to local taxation levied on the Group's interest income in Brazil, whereas the US$1.8 million tax charge in the year to 31 December 2013 was primarily as a result of the US$1.7 million of Capital Gains Tax payable on the 2013 Mauritania farm-out to Cairn.

US$10.7m
received to date in back costs for Rabat Deep

US$14m
(net) raised in successful share Placing

Exploration and Appraisal Assets as at 31 December 2014

During the year to 31 December 2014, the Group's exploration and appraisal assets reduced by US$27.0 million to US$101.3 million from US$128.3 million as at 31 December 2013. This US$27.0 million reduction was due to the US$33.6 million Northern Blocks, Namibia, impairment charge and the US$10.7 million from the farm-out of 25% of Rabat Deep, offshore Morocco, to Woodside more than offsetting the US$17.3 million of portfolio investment undertaken in 2014. The US$17.3 million portfolio investment is broadly split as follows: in Morocco, US$12.3 million was invested completing the acquisition of, and the partial processing of, the 1,700km^2 3D survey undertaken across the Group's Rabat Deep, Mohammedia and Loukos blocks; in Namibia, US$2.7 million was incurred across all the Group's licences, with the majority relating to the completion of the 2,128km 2D seismic survey in the 2714B Southern Block; in Brazil, US$1.2 million was incurred mainly on EIA and G&G work in advance of the 3D seismic survey planned for 2015; and in Mauritania, US$1.1 million was incurred completing the processing and interpretation of the 3,500km^2 3D survey acquired during 2013 and in paying ongoing licence maintenance costs.

Other Assets and Liabilities as at 31 December 2014

The Group's inventory balance of US$7.4 million as at 31 December 2014 is US$0.2 million higher than the US$7.2 million balance as at 31 December 2013. This increase is mainly due to a long lead ordered wellhead previously held within other receivables being transferred to inventory on delivery.

As at 31 December 2014, the Group's net balance of current trade and other receivables and current trade and other payables shows a net current liability position of US$0.5 million compared to US$4.4 million of net current liabilities as at 31 December 2013. This year on year reduction in net current liabilities is primarily due to two large non-reoccurring liabilities at 31 December 2013, being a US$1.7 million Capital Gains Tax liability on the Mauritanian farm-out to Cairn and a trade payable of US$1.8 million in relation to part of the 2D seismic acquisition programme that was ongoing in Southern Block 2714B in Namibia at the end of 2013.

Outlook

As highlighted above, with US$53.5 million of cash balances as at 31 December 2014, the Group is well funded to continue investing into its business and portfolio throughout 2015 and beyond. In Brazil, the Group plans to carry out a 3D survey satisfying its commitment to acquire 768km^2 of 3D seismic across its four licences in the Barreirinhas Basin. This survey aims to identify locations for potential drilling with a partner in 2017/18. In February/March this year, the Group carried out a 1,700km 2D seismic survey in its 2312 and 2412A Central Blocks, Namibia, with a view to highlighting potential areas of prospectivity for a follow-on 3D survey with a partner in 2016 and in the Southern Blocks, Namibia, it has fulfilled all of its commitments. Finally, in Morocco and Mauritania, the Group will complete final G&G studies in advance of planning to drill with partners in 2016/17.

Mark Reid
Chief Financial Officer
19 March 2015

Transformational Upside Potential

Technical Director's Review of Operations

The significant industry interest in the regions in which we work provides for an exciting year ahead, where play opening wells could create the opportunity for significantly de-risking our giant prospects further, improving the possibility for success at the point of drilling.

Matthew Taylor, Technical Director

The Portfolio Theme

During this year we have continued to deepen our technical understanding of our assets and further developed the potential within our portfolio for transformational growth. We have undertaken specialised processing and iterative interpretation across 3,500km^2 of 3D seismic offshore Mauritania; acquired, processed and are currently interpreting 1,700km^2 of 3D seismic offshore Morocco; carried out significant 2D seismic acquisition in Namibia, which we are integrating into our existing data; and evaluated 1,000km of legacy 2D data across our Brazilian acreage.

As well as this, significant developments have been made through third party drilling in close proximity, enabling the team to integrate this detail into its understanding in order to de-risk its own prospects. This is particularly notable in Namibia where information provided in 2014 has located excellent oil-prone mature source rocks and proven that Namibia is oil generating. The significant industry interest in the regions in which we work provides for an exciting year ahead, where play opening wells could provide the opportunity for significantly de-risking our giant prospects further, improving the possibility for success at the point of drilling.

Having a diversified portfolio with a range of basins and technical maturity provides the potential for a number of drilling campaigns in the future. It also provides the optionality for the team to focus on the prospects that are lower risk and to manage the portfolio in accordance with its capital discipline and zero cost focus. This is further enhanced by the technical evaluation provided by the peer group review carried out in the farm-out process at each investment phase.

In addition to the substantial progress that Chariot has made within the portfolio, it has also used its regional expertise and technical insight to identify further opportunities that will provide for value-accretive additions to the portfolio. We are excited by the various opportunities that we are evaluating and look forward to exploring this further over the coming year.

Matthew Taylor
Technical Director
19 March 2015

Exploration Developments of 2014

Morocco and Mauritania
Increased Activity in Emerging and Established Basins

Over the last few years these regions have seen increasing interest from the industry, in part due to successes on the conjugate margin of Nova Scotia and in part due to the multiple play potential within these areas.

Whilst the Moroccan and Mauritanian Atlantic margins remain relatively underexplored, they are emerging and established basins with proven working petroleum systems and sufficient data from past industry exploration campaigns has provided the basis for new ideas and play concepts to be developed.

Over the last 18 months a new phase of drilling has confirmed multiple working charge systems and demonstrated the importance of robust structural trapping geometries for success on the shelf and the importance of reservoir understanding to both shelf and deepwater plays. While no commercial discovery has been made, the technical results from this third party drilling are encouraging and will assist Chariot in prospect portfolio ranking to identify optimum drilling targets.

Regional prospectivity

- Chariot blocks
- Gas
- Oil
- Significant wells

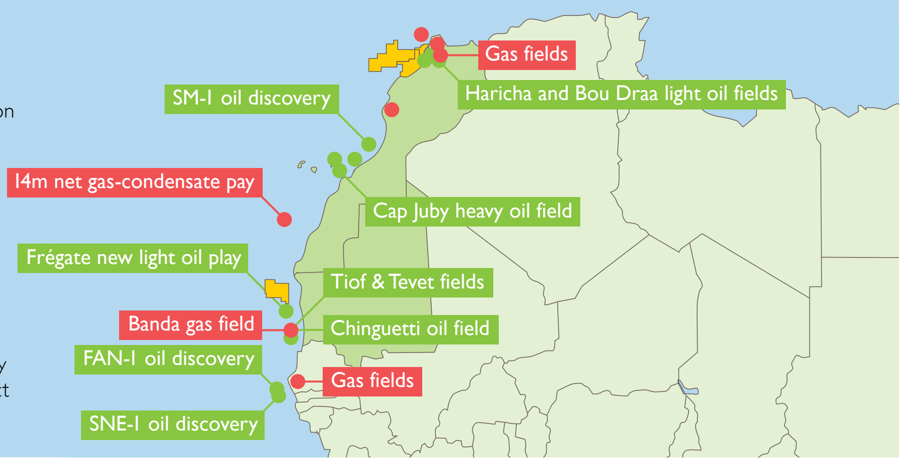
Morocco and Mauritania

Success has occurred where:

Robust shelf edge traps have been drilled

Slope/basin traps with good sand delivery (rivers) and seismic attributes have been drilled

=> Chariot's prime prospects have these characteristics

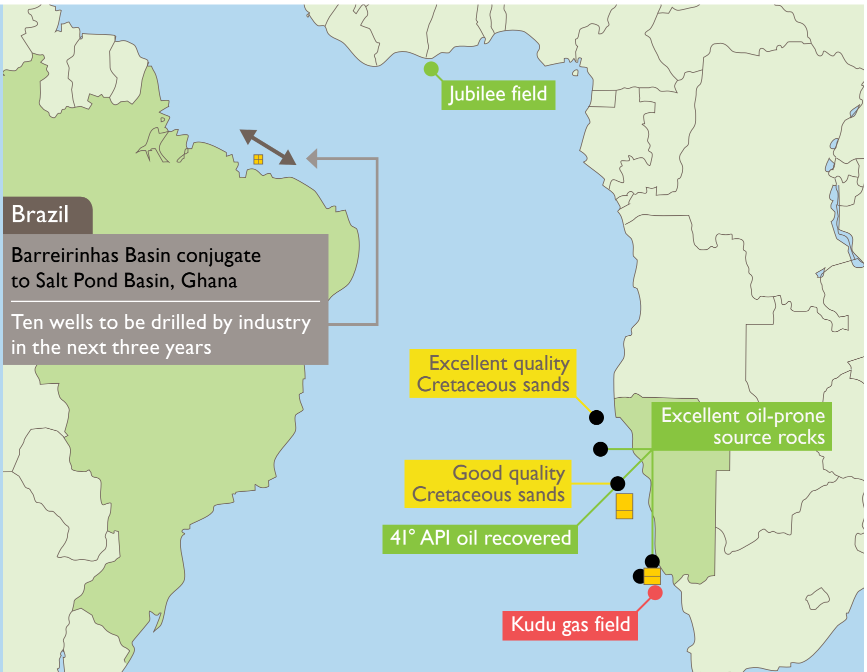


Brazil and Namibia
New Understanding in Frontier Regions

The underexplored regions of offshore Namibia and the Barreirinhas Basin of Brazil have also attracted significant industry interest in recent years.

Whilst these areas sit outside of the traditional exploration focus on the Aptian Salt Basin, new exploration technology and well penetrations have demonstrated that world class source rocks and excellent Cretaceous-aged deepwater turbidite reservoir rocks are present. Offshore Namibia, this has been identified through Chariot's own data and information released from wells drilled off-shelf during 2012/13 in which all of the elements needed for the successful accumulation of hydrocarbons have now been proven.

Offshore Brazil, the Barreirinhas Basin is conjugate to the Salt Pond Basin of Ghana and many of the play elements of that province have been demonstrated adjacent to Chariot's blocks. The Company is accompanied in these regions by supermajors, majors and large independents in neighbouring acreage, indicative of the anticipated prospectivity and potential of these frontier regions.



Namibia

Ripe for first oil successes:

Excellent Aptian and C-T source rock proven

Multiple seals and reservoirs identified

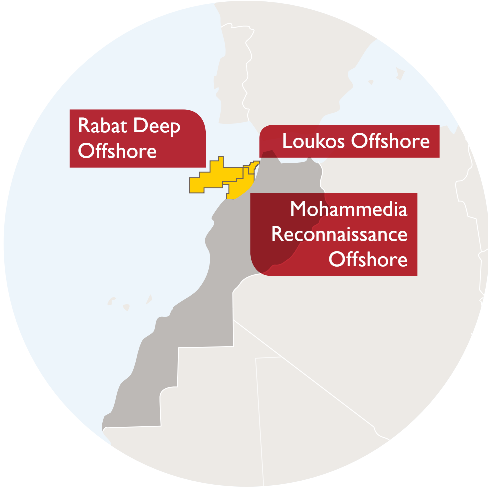
Namibia is de-risked for oil charge

=> Chariot's acreage secures multiple robust traps in identified charge fairways

Morocco

Chariot operates three licences (Rabat Deep (50% Chariot (Operator), 25% Woodside, 25% ONHYM (carried interest)), Loukos and Mohammedia (75% Chariot (Operator), 25% ONHYM (carried interest))) in the northern region offshore Morocco.

Within this acreage the team has identified all three of the proven and new plays that have been the source of industry activity within the margin over recent years.



Overview

In July 2014 Chariot announced the successful farm-out of Rabat Deep to Australia's largest independent E&P company, Woodside, who took up a 25% working interest in the licence in return for paying all back costs and some additional future technical work. These back costs included the 3D seismic that was acquired in April 2014 which was carried out principally to capture the prospectivity associated with the JP-1 Prospect – a four-way faulted structure with estimated gross mean prospective resources of 618mmbbls (based on 2D data). Following the final interpretation of this 3D acquisition, due in H1 of 2015, Woodside will have the option to take on operatorship and 50% of the licence in return for carrying Chariot through the costs of drilling an exploration well (to an agreed financial cap).

To date, Chariot's evaluation of the 3D data shows that the JP-1 structure contains a probable Jurassic shelf edge section with pronounced build up geometries believed to be reefs, with the inversion data supporting the potential for reservoir development. The Jurassic play is proven in Morocco with the Cap Juby heavy oil discovery, legacy onshore light oil production adjacent to Chariot's acreage and a recent well drilled in this play offshore encountered 26° API oil. Within Rabat Deep, a further six leads have been identified in the Jurassic play and, in addition, the 3D seismic has highlighted another giant prospect within the Mohammedia Reconnaissance licence, JP-2. Overall the presence of a robust structural closure with good reservoir indications in a proven charge fairway meets the success criteria we think have been lacking in most of the wells targeting this play in offshore Morocco.

In the Loukos licence, the team has identified a significant Mio-Pliocene lead that also extends into the Mohammedia Reconnaissance licence area. This is a large, attribute-supported shallow water gas lead that could provide, in the success case, near term production. Datarooms describing the prospectivity identified in this, and the Jurassic play, will be opened for partnering in Q2 2015.

In addition to the proven Jurassic and Mio-Pliocene plays, the team has also identified the potential for Cretaceous clastics throughout its Moroccan portfolio. Whilst this play is yet to be proven, widespread Cretaceous age sands have been recognised during fieldwork in onshore areas adjacent to the licence and the Jurassic charge system is expected to be capable of charging the Cretaceous section. Chariot will carry out further studies to de-risk this play before committing any significant additional funds to its exploration.

Forward Plan

Completion of 1,700km^2 3D seismic data evaluation and carry out an independent audit of prospective resources.

Rabat Deep

Complete well partnering for the JP-1 Prospect. Chariot's large equity holding in the licence gives additional optionality in the event that a further partnering process is required should Woodside not take up their option.

Loukos and Mohammedia

A dataroom is due to open in Q2 2015 in order to secure partners for the forward exploration programme.

Third Party Activity

Two to three wells are anticipated offshore Morocco, testing both the Jurassic and Cretaceous plays.

Remaining Commitments

Chariot has no remaining commitments offshore Morocco.

At a Glance

- "Drill ready" Q2 2015*
- Operator; large equity position; partnering 2015
- Near zero cost, no remaining commitments
- Woodside election Q2 2015
- 500mmbbls+** multi-prospect potential
- Industry activity: >3 NFW wells over the next two years

Licence Interest

Rabat Deep	50% Chariot 25% Woodside 25% ONHYM (carried)
Mohammedia Reconnaissance	75% Chariot 25% ONHYM (carried)
Loukos	75% Chariot 25% ONHYM (carried)

Operator
Chariot Oil & Gas Investments (Morocco) Limited

Licence area
16,591km^2 (gross)

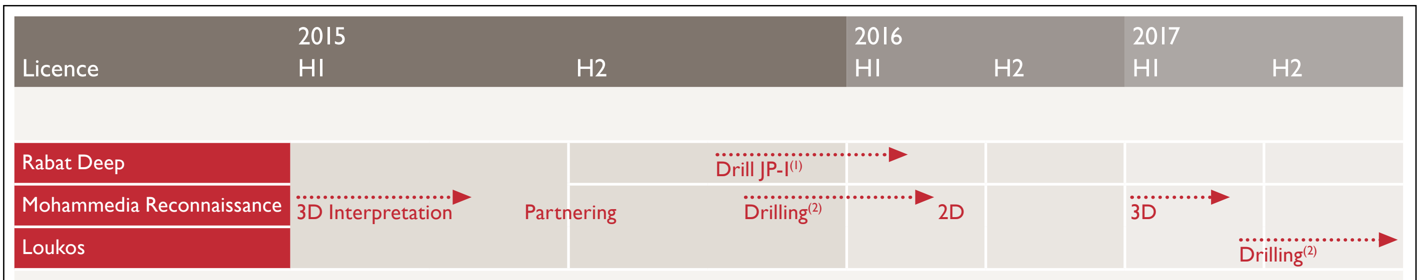
Licence Overview

Rabat Deep	
Ongoing commitments	None
2D	✓
3D	✓

Mohammedia Reconnaissance	
Ongoing commitments	None
2D	✓
3D	✓

Loukos	
Ongoing commitments	None
2D	✓
3D	✓

* Subject to acquiring partners
** Gross mean prospective resources based on 2D (leads) and 3D (prospects) data respectively



(1) Drilling assuming Woodside full carry (2) Subject to acquiring partners

Operations

Mauritania

Chariot holds 55% and operatorship in the C-19 licence offshore Mauritania, having attracted a seismic partner in Cairn (35%) with SMHPM holding a 10% carried interest.

This licence is on trend with nearby oil and gas condensate discoveries as well as two on-block legacy wells with extensive and pervasive oil shows.

Overview

During 2014 the team spent a significant amount of time evaluating the 3D seismic data that was shot in 2013. Due to the presence of steep seabed canyons, detailed depth migration of the seismic was required and additional steps, including data inversion, were carried out to optimise data quality and trap definition, especially of stratigraphic prospects. The resulting seismic volumes have enabled the interpretation of a large prospect and lead portfolio including four giant prospects, each in excess of 400mmbbls gross mean prospective resources (internal estimates). Of note, the KT-1 Prospect, identified as the priority drilling target, is a stacked prospect and, of the individual target layers, the largest has gross mean prospective resources of 532mmbbls (internal estimate). A number of targets in this prospect are supported by well-defined seismic attributes showing structural conformance, a significant low risk indicator for the presence of hydrocarbons.

GEO Celtic, used for 3,500km² 3D seismic acquisition 2013, Mauritania

In addition to Chariot's own work, 2013/14 saw further de-risking of the petroleum system in this region through the drilling of the Cretaceous by third parties, with a new oil play reported in late Cretaceous turbidites in Mauritania, as well as new discoveries where the basin extends into Senegal, with oil found in upper slope fan sands as well as in Albian sands draped over eroded Aptian carbonates on the shelf. Post period a discovery of gas and liquids has been reported to the north of C-19, an important demonstration that the working hydrocarbon system extends through our licence area.

Forward Plan

Chariot has opened a dataroom and is currently seeking a potential additional partner to participate in drilling its priority KT-1 stacked prospect.

Third Party Activity

Three wells are planned in the region.

Remaining Commitments

Chariot has no remaining commitments offshore Mauritania.

At a Glance

- "Drill ready"*
- Operator; large equity position; partnering 2015
- Near zero cost, no remaining commitments
- 400mmbbls+** multi-prospect potential
- Industry activity: 3 NFW wells over the next two years

Licence Interest

C-19 55% Chariot
35% Cairn
10% SMHPM (carried)

Operator
Chariot Oil & Gas Investments (Mauritania) Limited

Licence area
12,175 km² (gross)

Licence Overview

C-19	
Ongoing commitments	None
2D	✓
3D	✓

* Subject to acquiring partners
** Internal Chariot estimate

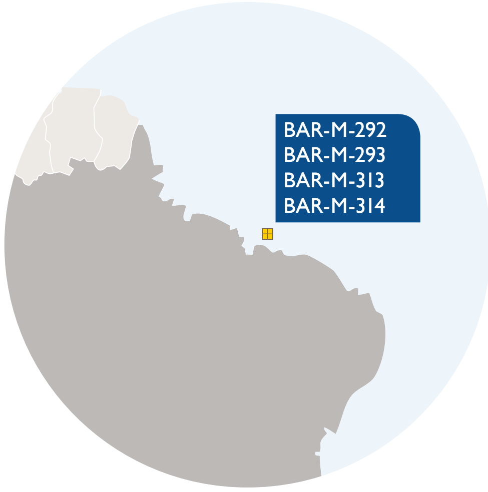
Licence	2015 H1	H2	2016 H1	H2	2017 H1	H2
C-19	Well Partnering		Drilling(1) →			

(1) Subject to acquiring partners

Operations

Brazil

In 2013, Chariot participated in the highly competitive Bidding Round 11 in the Barreirinhas Basin, offshore Brazil, and was awarded licences BAR-M-292, 293, 313 and 314 with a 100% interest.



Overview

Chariot was successful in securing this acreage on a seismic option and low signature bonus whilst many of the supermajors and majors in the region took on significant drilling commitments with large signature bonuses. This third party commitment means that Chariot is able to learn from up to ten wells expected to be drilled in the basin, one of which will be directly adjacent to its acreage, prior to the Company electing to enter the next phase of the licences.

In July 2014, the team farmed out 25% of the licences to AziLat in which they agreed to pay an increased proportion equal to 50% of the costs of the 3D seismic acquisition commitment across the acreage. Whilst this agreement remains subject to the approval of the Brazilian authorities and other conditions, the decline in seismic costs over the past months means that Chariot will look to accelerate this programme using the funds raised for this purpose in 2014.


Lençóis Maranhenses, Maranhão State, Brazil

The high industry interest in this part of the transform margin is due to the Barreirinhas Basin being conjugate to the Atlantic offshore basins in Côte d'Ivoire and Ghana which have seen significant oil and gas discoveries. Whilst the few wells that have been drilled in the region have not yet yielded discoveries, they have proven high quality reservoirs and encountered good source rocks in the Cenomanian-Turonian. From the team's interpretation of legacy 2D seismic across its acreage, a series of leads with evidence for sands and trapping geometries have been identified. Lead A shows a combination trap pinch-out onto an inversion structure with best estimate prospective resources standing at 725mmbbls (internal estimate) and the possibility to test this and a second feature (Lead B) with a single well. Lead B is a four-way dip closure with the potential for stacked targets on an inversion structure with a Palaeocene top seal and has a best estimate of 346mmbbls gross mean prospective resources (internal estimate). The team anticipates that the acquisition of 3D seismic will provide a better insight and reveal more information to identify specific targets for drilling.

Forward Plan

To acquire the commitment seismic and seek an additional partner.

Third Party Activity

Ten wells due to be drilled within the next two to three years.

Remaining Commitments

768km^2 of 3D seismic.

At a Glance

- "Drill ready" Q2 2016*
- Operator; large equity position; additional partnering 2015
- Half cost**; 800km^2 3D in 2015
- 300–500mmbbls*** discovery potential
- Industry activity:
  - Ten deepwater wells over the next three years
  - One play opener in 2015

Licence Interest

BAR-M-292	75% Chariot 25% AziLat**
BAR-M-293	75% Chariot 25% AziLat**
BAR-M-313	75% Chariot 25% AziLat**
BAR-M-314	75% Chariot 25% AziLat**

Operator
Chariot Oil & Gas Investments (Brazil) Limited

Licence area
768km^2 (gross)

Licence Overview

BAR-M-292, 293, 313, 314	
Ongoing commitments	800km^2 3D
2D	✓
3D	Anticipated acquisition H1 2015

* Subject to acquiring partners
** Subject to various approvals
*** Internal Chariot estimate

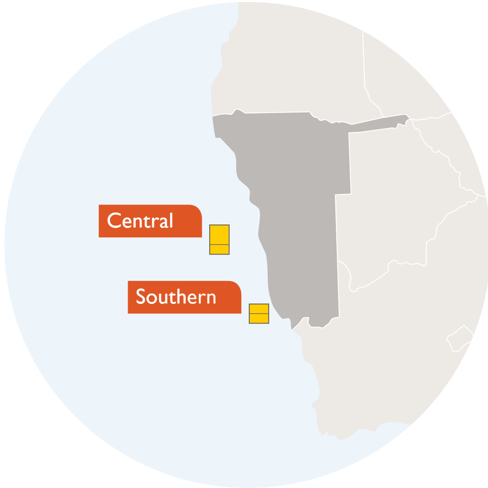
Licence	2015 H1	2015 H2	2016 H1	2016 H2	2017 H1	2017 H2
BAR-M-292 BAR-M-293 BAR-M-313 BAR-M-314	Additional Seismic Partnering → 3D	3D Interpretation →	Well Partnering			Drilling[1] →

[1] Subject to acquiring partners

Namibia

Chariot has a large acreage position that sits within the Luderitz and Orange Basins and industry activity in recent years has provided new and encouraging information on the prospectivity within these regions, with the most recent drilling activity proving two new petroleum systems in the Aptian and the Cenomanian-Turonian.

The implications of these results are significant, as Namibia is now de-risked for oil charge, and it is now a matter of determining where the reservoir, trap and source combine to deliver giant accumulations of hydrocarbons.



Overview

During 2013/14 Chariot repositioned its Namibian acreage to become that of a fast follower. This not only enabled Chariot to have a stronger positioning in its licences, providing the optionality to seek seismic or well partners, but also meant that recent entrants into the region would be required to drill potential play opening wells prior to Chariot deciding on entering its own drilling periods. As a result, Chariot operates the Central Blocks 2312 & 2412A (65%) with AziNam (20%), NAMCOR (10% carried) and Ignitus (5% carried) as partners. In the Southern Blocks 2714A&B, it operates the licences with an 85% interest, with NAMCOR (10% carried) and Quiver (5% carried).

Central Blocks

Especially important is the information released in late 2014 from wells adjacent to the Company's Central Blocks where well penetrations of the Aptian section occurred. The source associated with this interval has been shown to be excellent, oil prone and mature, and this source rock can be directly correlated into the Central Blocks where this source is buried to the same depths and should have experienced the same hydrocarbon maturation history.

Chariot has acquired a 3,500km^2 3D seismic survey on the north eastern flank of the licence. From this, Chariot has identified a number of Upper Cretaceous turbidite clastic reservoirs in a variety of stratigraphic and structural traps with the potential for oil charge from locally mature Aptian and Cenomanian-Turonian marine source rocks. Four prospects have been identified and Prospect B, which has gross mean prospective resources of 469mmbbls, is the lowest risk and the priority target. The identification of the Aptian source rock has extended the prospective area within the Central Blocks and, with the new licence positioning in this region, Chariot sees the opportunity for further de-risking on the north western flank through the acquisition of additional seismic data. In order to identify the optimum area to carry out a 3D seismic survey, and to delineate areas of key interest for prospective partners, the team contracted SeaBird Exploration to carry out a 2D seismic acquisition programme in this area in February/March 2015. As such, Chariot has been able to generate a valuable option while managing the associated risks and the Company will continue its talks with potential drilling and seismic partners to accelerate its work programme.

Southern Blocks

In the Southern Blocks, Chariot has fulfilled all of its commitments through the acquisition of 2D seismic data. The Company is currently analysing these in order to locate the optimum positioning for a 3D seismic survey, which should allow the team to gain a more accurate understanding of the geological setting, and mature prospects for drilling within this acreage. The aim will be to carry out this survey with seismic partners, which is planned for 2016.

Forward Plan

Central Blocks

Evaluate 2D seismic data to optimise location for a 3D seismic acquisition on the outboard high in the north eastern part of the blocks; continue the partnering process.

Southern Blocks

Evaluate 2D seismic data to optimise location for a 3D seismic acquisition; carry out partnering process to accelerate 3D seismic programme.

Third Party Activity

Three wells reported for 2015 from recent entrants in the region.

Remaining Commitments

1,500km^2 3D in Central Blocks.

At a Glance

- "Drill ready"*
- Operator; large equity position; partnering 2015
- 1,500km^2 3D
- 400mmbbls+** multi-prospect potential
- Industry activity:
  - Securing acreage ahead of the play opening discovery
  - 3 NFW wells reported during 2015

Licence Interest

Central Blocks: 2312 & 2412A	65% Chariot 20% AziNam 10% NAMCOR (carried) 5% Ignitus (carried)
Southern Blocks: 2714A&B	85% Chariot 10% NAMCOR (carried) 5% Quiver (carried)

Operator
Enigma Oil & Gas Exploration (Pty) Limited

Licence area
27,746km^2 (gross)

Licence Overview

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

Ongoing commitments	Central Blocks 1,500km^2 3D
2D	Central Blocks Acquisition and interpretation H1 2015 Southern Blocks Interpretation H1 2015
3D	Anticipated acquisition H2 2015/2016*

* Subject to acquiring partners
** Gross mean prospective resources based on 2D (leads) and 3D (prospects) data respectively

Licence	2015 H1	2015 H2	2016 H1	2016 H2	2017 H1	2017 H2
Central Area	Partnering 2D Drill B(1)	2D Interpretation 3D(1)	Well Partnering		Drilling(1)	
Southern Area	2D Interpretation	Partnering	3D(1)	Well Partnering		Drilling(1)

(1) Subject to acquiring partners

Corporate Social Responsibility

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 practise 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 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.

Scarlet Ibis, Parnaíba River Delta, Brazil

Risk Mitigation

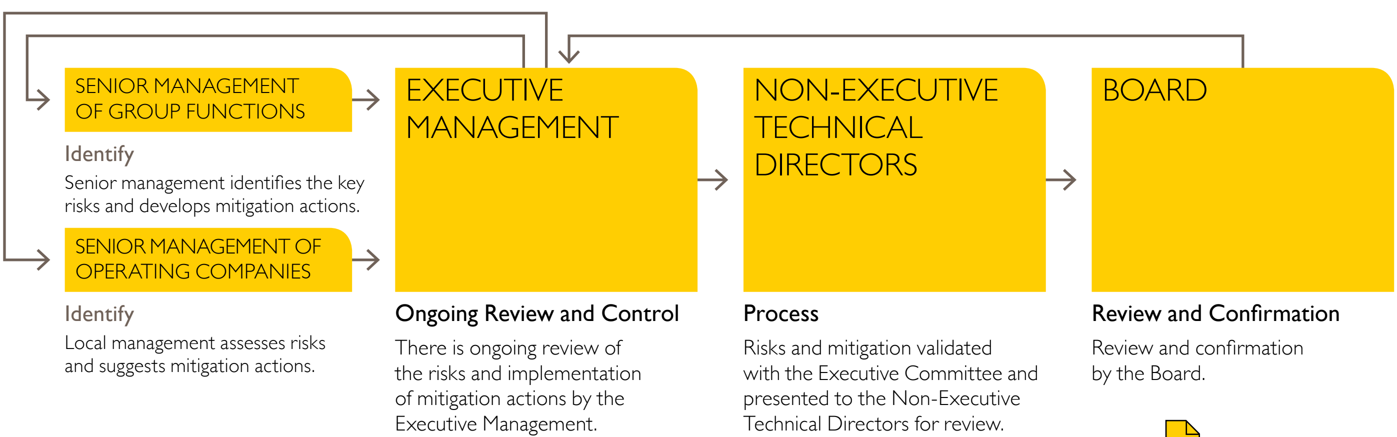
Strategic Foresight

Underpinning all of Chariot's activity is a focus on managing risk with a number of steps that concentrate on balancing the Company's risk exposure and guarding its capital.

This is intended to ensure that the Company is able to sustain its development in order to carry out drilling campaigns and deliver on its goal of discovering material hydrocarbon accumulations.

Risk	Chariot's Positioning and Opportunity
Market Risk	
Continued low oil price	• Large scale opportunities – robust economics due to high margins • Break-even price of high margin assets brings transformational returns even in low oil price conditions
Lower interest in exploration	• Exploration continuing within Chariot's regions – still key areas of industry interest • Giant potential within each asset – transformational opportunities • Larger companies will need to refill their hoppers in due course – opportunity to be counter cyclical
Funding requirements	• US$53.5 million cash (YE 2014) – strong balance sheet • Funded for all current commitments • Can take advantage of opportunities that may arise
Exploration Risk	
Frontier exploration	• Look to de-risk assets through extensive seismic programmes, detailed G&G work and third party information
High cost of exploration	• Service tenders more competitively priced, reduced costs of seismic and drilling • Fast follower positioning – information from third party drilling activity scheduled to take place in near term; can be integrated into Chariot's own asset understanding prior to its own investments
High cost of wells	• Chariot has minimised its exposure due to successful farm-out strategy • Strong positioning – Chariot has negotiated long phase commitment periods; no pressure to undertake sole-risk drilling

Risk Management Framework



See page 30 Board of Directors

Risk Management Statement

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. 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 Cairn. 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.

Board of Directors

Name and title	 **George Canjar** Non-Executive Chairman	 **Larry Bottomley** Chief Executive Officer	 **Mark Reid** Chief Financial Officer	 **Matthew Taylor** Technical Director
Biography	George has more than 30 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 Global Unconventional Business Development for Hess Corporation.	Larry has worked in the oil and gas industry for over 30 years and has a significant track record of building exploration and production businesses on the international stage, delivering transformational growth and shareholder value.	Mark has over 20 years of experience in financial services and investment banking.	Matthew is a petroleum geologist who has worked in the industry for over 30 years.
Year appointed	2013	2012	2012	2013
Experience	George started his career spending 17 years with Royal Dutch/Shell Oil, followed by Carrizo Oil & Gas as Vice President of Exploration and Development and, more recently, he was Executive Vice President and Chief Operating Officer for Davis Petroleum Corporation. 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 deal structuring, portfolio development, risk analysis and strategic modelling in addition to being the operational catalyst for bringing successful projects to first production.	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.	Before joining Chariot, Mark was CFO at Aurelian Oil & Gas Plc and, prior to that, Head of Oil & Gas at the London office of BNP Paribas Fortis. He has also held senior positions for National Australia Bank's Oil & Gas team as well as within Ernst & Young's Corporate Finance sector where he provided M&A and corporate finance services to clients worldwide for a period of eight years.	Matthew began his career with BNOC in 1980, moving to BP in 1984 and subsequently held senior geologist posts with BHP Petroleum and Triton Energy. 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.
Committee membership	Nomination Committee Remuneration Committee Corporate Governance Committee			
Independent	Yes	Not applicable	Not applicable	Not applicable
Sector experience				

Board composition

6 Non-Independent
3 Independent

6 Non-Executive
3 Executive

				
Adonis Pouroulis Non-Executive Director	**Robert Sinclair** Non-Executive Director	**Heindrich Ndume** Non-Executive Director	**William Trojan** Non-Executive Director	**David Bodecott** Non-Executive Director
Adonis, one of the founders of Chariot and its Namibian, 100% owned, operating subsidiary, Enigma, is a mining entrepreneur whose expertise lies in the discovery and exploration of natural resources.	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.	Heindrich is a Namibian national with mining exploration experience throughout Sub-Saharan Africa.	Bill has 37 years of experience in the oil and gas industry and has extensive experience in deepwater exploration within the Atlantic margins.	David has worked in the oil and gas industry for 40 years as a geologist, geophysicist and in management.
2008	2008	2008	2014	2014
Adonis is also Chairman of Petra Diamonds Ltd which he founded and listed on London's AIM market in 1997. Petra moved to the Main Market in 2011 and is now London's largest quoted diamond mining company. Adonis also founded Pella Resources, an African focused natural resources and energy group with a diverse portfolio of assets across the continent. He has over 20 years of experience in the sector and has been instrumental in securing assets and structuring and raising funds to create a number of companies within the Pella group.	Robert is Chairman of Schroder Oriental Income Fund Limited, Chairman of Sirius Real Estate Limited, a Director of Picton Property Income Limited and Chairman of its Audit Committee and a Director of Secure Property Development & Investment PLC. He is a fellow of the Institute of Chartered Accountants in England & 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.	Heindrich has played a unique role within the development of Namibia's mining and energy strategies, including acting as National Energy Council Secretary and World Energy Council Representative for the Namibian Ministry of Mines and Energy. Heindrich was one of the founding shareholders of Enigma, which is now a 100% subsidiary of Chariot.	Bill began his career at Shell and, during his 19 years there, he held a variety of technical and management positions focused on exploring offshore regions, including the West Africa margin from Nigeria to Namibia and also Brazil. Subsequent to his time at Shell, Bill became Vice President of Worldwide Deepwater Exploration for Phillips Petroleum Company in 2000 where he managed a new exploration programme focused primarily on West Africa, Brazil and the Gulf of Mexico. Following the merger with Conoco, Bill continued to specialise in West Africa, responsible for bid rounds, new venture evaluations, and seismic and drilling operation. Bill is on the Board of Trustees at his alma mater, Westminster College, in Salt Lake City, Utah.	David's career commenced with Arco and Gulf Oil Corporation worldwide. He co-founded AIM-listed Rockhopper Exploration Plc in 2004 and, in 2007, became the company's Exploration Director. During this time, he led a successful team towards the 2010/2012 drilling campaign of ten wells that delivered the large Sea Lion discovery and appraisal, leading to many conference and technical presentations and several City awards. David left Rockhopper in 2013 to continue with his 26 year consultancy career. The majority of this involved new venture exploration worldwide including Angola, Côte d'Ivoire, Gabon, Ghana, Kenya, Mauritania, Senegal, South East Asia, North Africa and Europe.
Audit Committee Nomination Committee	Audit Committee Remuneration Committee Corporate Governance Committee		Nomination Committee Remuneration Committee Corporate Governance Committee	Audit Committee Corporate Governance Committee
No	No	No	Yes	Yes
PetraDiamonds PELLA RESOURCES LIMITED	Artemis THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES	WORLD ENERGY COUNCIL	ConocoPhillips	ROCKHOPPER EXPLORATION PLC

Senior Management Team

Name and title

Duncan Wallace
Exploration Manager

Alex Green
Commercial Manager

Julia Kemper
Principal Geophysicist

Julian Maurice-Williams
Group Financial Controller

Biography

Duncan Wallace

Duncan is a geologist with 15 years of experience in exploration and production. After graduating with an MSc from Imperial College he joined Perenco, where he held a wide variety of technical and management positions, ranging from onshore and offshore exploration studies, field development, production, operations and new ventures. This experience focused largely on the African Atlantic margin and Andean foreland basins in Latin America.

He then served as Country Manager for Perenco in Brazil, where he had the responsibility to oversee a full cycle of exploration in a new country, from office setup and team recruitment, to seismic acquisition and processing, exploration studies and well planning, to the execution of a deepwater exploration drilling campaign. Subsequent to this, Duncan was the New Ventures Exploration Manager, with global responsibility for the identification and evaluation of new acreage and farm-in opportunities. Duncan joined the Chariot team in 2013.

Alex Green

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.

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, co-ordinated 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.

Julia Kemper

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.

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.

Julian Maurice-Williams

Julian is a Chartered Accountant with ten years of experience in the oil and gas sector.

Prior to 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.

Julia Webb
Corporate Communications Manager

Julia joined Chariot in 2010, having previously worked for a number of African focused natural resource and energy companies within the Pella Resources group.

During her time at Chariot she has been involved in a variety of marketing activities through the UK, Europe, US and Africa, developing the Company's corporate profile. She develops the team's communication strategy, providing a channel of communication between the Company, investors, analysts and the press. She has headed up and organised a number of investor roadshows and conferences, manages special events, has participated in the organisation of fundraisings, as well as playing a key role in internal communications.

Robert Mwanachilenga
Country Manager and Senior Staff Drilling Engineer, Namibia

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

Tatiana Menezes
Environmental Compliance and Office Manager, Brazil

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.

Her previous role as Environmental Co-ordinator 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 Espírito 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.

Mohamed Ethmane Dioudia
Country Manager, Mauritania

Mohamed worked for over ten years as Finance, Commercial and then General Manager for a local company, Groupe MIP – SOFAPOP, representing various large multinational companies, such as Yamaha and Daewoo, from Japan, France, China and Spain. During this time, he acquired a strong knowledge of all logistics and Mauritanian administration aspects. Subsequent to this, he worked for six years as Country Manager for several mining and oil exploration companies in Mauritania, participating actively in negotiations for oil and mining permits. In 2012, he joined Chariot where he is responsible for the Company's local activities, including governmental and local partner relations and its exploration operations in country.

Directors' Remuneration Report

Remuneration Committee

The Group's Remuneration Committee comprises Bill Trojan (Chairman), George Canjar 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 3 and 12 months.

Directors' remuneration

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

	Fees/basic salary US$000	Performance cash bonus US$000	Benefits in kind(1) US$000	Pension contribution US$000	Year ended 31 December 2014 Total US$000	Year ended 31 December 2013 Total US$000
G Canjar	124	–	–	–	124	100
L Bottomley	602	120	–	–	722	570
M Reid	453	91	–	23	567	444
M Taylor[2]	385	71	5	8	469	161
A Pouroulis	124	–	–	–	124	117
R Sinclair	91	–	–	–	91	81
H Ndume	127	–	–	–	127	156
W Trojan[3]	77	–	–	–	77	–
D Bodecott[3]	77	–	–	–	77	–
P Loader[4]	–	–	–	–	–	57
Total	**2,060**	**282**	**5**	**31**	**2,378**	**1,686**

(1) Comprises private health insurance.
(2) M Taylor was appointed as a Director on 28 June 2013. Amounts included above for the year ended 31 December 2013 are in respect of services for the period 28 June–31 December 2013.
(3) W Trojan and D Bodecott were appointed as Directors on 19 February 2014. Amounts included above for the year ended 31 December 2014 are in respect of services for the period 19 February–31 December 2014.
(4) P Loader resigned on 28 June 2013.

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 2014	31 December 2013
G Canjar	216,513	159,000
L Bottomley[1]	554,446	431,113
M Reid	259,000	159,000
M Taylor	836,988	770,321
A Pouroulis[2]	28,554,671	21,665,971
R Sinclair	412,000	412,000
H Ndume[3]	20,107,426	20,107,426
W Trojan	191,813	–
Total	**51,132,857**	**43,704,831**

(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.
(3) Shares are held by Protech Namibia (Pty) Limited of which H Ndume is the sole registered shareholder.

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 2013	Options held at 31 December 2014	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
M Taylor	1,000,000	1,000,000	25.0	15/1/12	15/1/20
Total	**4,000,000**	**4,000,000**			

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.

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 2013	Granted during the year	RSU held at 31 December 2014	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
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
R Sinclair	18,533	–	18,533	20/9/13	20/9/23
R Sinclair	212,000	–	212,000	24/9/13	24/9/23
H Ndume	46,332	–	46,332	20/9/13	20/9/23
W Trojan	–	191,813	191,813	23/9/14	23/9/24
Total	**505,663**	**753,528**	**1,259,191**		

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 2013	Granted during the year	LTIPs held at 31 December 2014	Grant date	Exercisable from	Expiry date
L Bottomley	–	411,011	411,011	11/4/14	1/1/17	10/4/24
M Reid	70,000[1]	–	70,000	2/4/12	2/4/13	2/4/22
M Reid	70,000[1]	–	70,000	2/4/12	2/4/14	2/4/22
M Reid	70,000[1]	–	70,000	2/4/12	2/4/15	2/4/22
M Reid	271,003[1]	–	271,003	2/10/12	2/10/13	2/10/22
M Reid	271,003[1]	–	271,003	2/10/12	2/10/14	2/10/22
M Reid	271,002[1]	–	271,002	2/10/12	2/10/15	2/10/22
M Reid	–	309,666	309,666	11/4/14	1/1/17	10/4/24
M Taylor	7,000[1]	–	7,000	1/3/11	1/3/14	1/3/21
M Taylor	162,602[1]	–	162,602	2/10/12	2/10/14	2/10/22
M Taylor	162,601[1]	–	162,601	2/10/12	2/10/15	2/10/22
M Taylor	–	243,229	243,229	11/4/14	1/1/17	10/4/24
Total	**1,355,211**	**963,906**	**2,319,117**			

(1) Granted prior to being appointed a Director.

By order of the Board

William Trojan
Chairman of the Remuneration Committee
19 March 2015

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, Executive Directors and Non-Executive Directors. All Directors have access to the advice and services of the Company Secretary and the Group's professional advisors. George Canjar, Bill Trojan and Dave Bodecott are independent Non-Executive Directors.

Corporate Governance Committee

The Corporate Governance Committee comprises Dave Bodecott (Chairman), Bill Trojan, George Canjar and Robert Sinclair.

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 for the first time in January 2015.

Remuneration Committee

The Remuneration Committee comprises Bill Trojan (Chairman), George Canjar 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 2014.

Audit Committee

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

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 2014.

Corporate Governance Statement
(continued)

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

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 twice during the year ended 31 December 2014.

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 2014.

Results and dividends

The results for the year are set out on page 42.

The Directors do not recommend payment of a final dividend (31 December 2013: 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 Technical Director'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)	
Mark Reid (Chief Financial Officer)	
Matthew Taylor (Technical Director)	
Adonis Pouroulis (Non-Executive Director)	
Robert Sinclair (Non-Executive Director)	
Heindrich Ndume (Non-Executive Director)	
William Trojan (Non-Executive Director)	Appointed 19 February 2014
David Bodecott (Non-Executive Director)	Appointed 19 February 2014

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 has 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

Mark Reid
Chief Financial Officer
19 March 2015

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 2014 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.

Directors' responsibility for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with Guernsey (Companies) Law, 2008 and International Financial Reporting Standards (IFRS) as adopted by European Union and for being satisfied that they give a true and fair view in accordance with IFRS as adopted by the European Union.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with relevant legal and regulatory requirements and International Standards on Auditing (as issued by the International Federation of Accountants (IFAC)). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design appropriate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2014 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 properly 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 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.

BDO LLP
Chartered Accountants
London
United Kingdom
19 March 2015

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 2014

	Notes	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Share based payments	20	(1,746)	(2,219)
Impairment of exploration asset	11	(33,629)	–
Other administrative expenses		(6,053)	(6,008)
Total operating expenses		(41,428)	(8,227)
Loss from operations	**4**	**(41,428)**	**(8,227)**
Finance income	7	1,546	758
Finance expense	7	(1,580)	(1,177)
Loss for the year before taxation		**(41,462)**	**(8,646)**
Tax expense	9	(311)	(1,809)
Loss for the year and total comprehensive loss for the year attributable to equity owners of the parent		**(41,773)**	**(10,455)**
Loss per ordinary share attributable to the equity holders of the parent – basic and diluted	**10**	**US$(0.19)**	**US$(0.05)**

All amounts relate to continuing activities.

The notes on pages 46 to 59 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2014

	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 2013	**3,758**	**323,668**	**796**	**4,841**	**(1,241)**	**(135,176)**	**196,646**
Loss and total comprehensive loss for the year	–	–	–	–	–	(10,455)	(10,455)
Share based payments	–	–	–	2,219	–	–	2,219
Transfer of reserves due to issue of LTIPS	18	909	–	(927)	–	–	–
Transfer of reserves due to cancelled/lapsed share options	–	–	–	(2,259)	–	2,259	–
As at 31 December 2013	**3,776**	**324,577**	**796**	**3,874**	**(1,241)**	**(143,372)**	**188,410**
Loss and total comprehensive loss for the year	–	–	–	–	–	(41,773)	(41,773)
Issue of capital	972	13,605	–	–	–	–	14,577
Issue costs	–	(909)	–	–	–	–	(909)
Share based payments	–	–	–	1,746	–	–	1,746
Transfer of reserves due to issue of LTIPS	31	1,075	–	(1,106)	–	–	–
As at 31 December 2014	**4,779**	**338,348**	**796**	**4,514**	**(1,241)**	**(185,145)**	**162,051**

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 IFRS 2 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 46 to 59 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2014

	Notes	31 December 2014 US$000	31 December 2013 US$000
Non-current assets			
Exploration and appraisal costs	11	101,251	128,284
Property, plant and equipment	12	342	613
Total non-current assets		**101,593**	**128,897**
Current assets			
Trade and other receivables	13	1,681	1,614
Inventory	14	7,427	7,234
Cash and cash equivalents	15	53,482	56,684
Total current assets		**62,590**	**65,532**
Total assets		**164,183**	**194,429**
Current liabilities			
Trade and other payables	16	2,132	6,019
Total current liabilities		**2,132**	**6,019**
Total liabilities		**2,132**	**6,019**
Net assets		**162,051**	**188,410**
Capital and reserves attributable to equity holders of the parent			
Share capital	17	4,779	3,776
Share premium		338,348	324,577
Contributed equity		796	796
Share based payment reserve		4,514	3,874
Foreign exchange reserve		(1,241)	(1,241)
Retained deficit		(185,145)	(143,372)
Total equity		**162,051**	**188,410**

The notes on pages 46 to 59 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 19 March 2015.

George Canjar
Chairman

Consolidated Cash Flow Statement

for the Year Ended 31 December 2014

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Operating activities		
Loss for the year before taxation	(41,462)	(8,646)
Adjustments for:		
Finance income	(1,546)	(758)
Finance expense	1,580	1,177
Depreciation	334	349
Share based payments	1,746	2,219
Impairment of exploration asset	33,629	–
Net cash outflow from operating activities before changes in working capital	**(5,719)**	**(5,659)**
(Increase)/decrease in trade and other receivables	(197)	1,360
Increase/(decrease) in trade and other payables	162	(1,520)
Increase in inventories	(92)	(81)
Cash outflow from operating activities	**(5,846)**	**(5,900)**
Tax payment	(2,078)	–
Net cash outflow from operating activities	**(7,924)**	**(5,900)**
Investing activities		
Finance income	1,578	758
Payments in respect of property, plant and equipment	(63)	(80)
Farm-in proceeds	10,265	26,400
Payments in respect of intangible assets	(19,146)	(31,574)
Net cash outflow used in investing activities	**(7,366)**	**(4,496)**
Financing activities		
Issue of ordinary share capital	14,577	–
Issue costs	(909)	–
Net cash inflow from financing activities	**13,668**	**–**
Net decrease in cash and cash equivalents in the year	**(1,622)**	**(10,396)**
Cash and cash equivalents at start of the year	**56,684**	**68,257**
Effect of foreign exchange rate changes on cash and cash equivalents	(1,580)	(1,177)
Cash and cash equivalents at end of the year	**53,482**	**56,684**

The notes on pages 46 to 59 form part of these financial statements.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2014

1 General information

Chariot Oil & Gas Limited is a company incorporated in Guernsey with registration number 47532. The address of the registered office is Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3RH. The nature of the Company's operations and its principal activities are set out in the Report of the Directors and in the Technical Director's Review of Operations.

2 Accounting policies

Basis of preparation

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

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

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

Going concern

The Directors are of the opinion that the Group has adequate financial resources to enable it to undertake its planned programme of exploration and appraisal activities for a period of at least 12 months.

New accounting standards

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 January 2014. The implementation of these standards and amendments to standards has had no material effect on the Group's accounting policies.

Standard	Effective year commencing on or after
IFRS 10 – Consolidated Financial Statements	1 January 2014
IFRS 11 – Joint Arrangements	1 January 2014
IFRS 12 – Disclosure of Interests in Other Entities	1 January 2014
IAS 27 – Amendment – Separate Financial Statements	1 January 2014
IAS 28 – Amendment – Investments in Associates and Joint Ventures	1 January 2014
IAS 32 – Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 – Recoverable Amounts Disclosures for Non-Financial Assets	1 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21 – Levies	1 January 2014

Certain new standards and amendments to standards have been published that are mandatory for the Group's accounting periods beginning after 1 January 2015 or later years to which the Group has decided not to adopt early when early adoption is available. The implementation of these standards and amendments is expected to have no material effect on the Group's accounting policies. These are:

Standard	Effective year commencing on or after
IAS 1 – Presentation of Financial Statements (Amendments)	1 January 2016*
IAS 19 – Defined Benefit Plans (Amendments)	1 February 2015
IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016*
IAS 27 – Separate Financial Statements	1 January 2016*
IFRS 9 – Financial Instruments	1 January 2018*
IFRS 10 and IAS 28 – Investments in Associates and Joint Ventures (Amendments)	1 January 2016*
IFRS 10, 12 and IAS 28 – Investment Entities (Amendments)	1 January 2016
IFRS 11 – Joint Arrangements (Amendments)	1 January 2016*
IFRS 15 – Revenue from Contract with Customers	1 January 2017*
Annual Improvements to IFRSs – (2010–2012 Cycle)	1 February 2015
Annual Improvements to IFRSs – (2011–2013 Cycle)	1 January 2015
Annual Improvements to IFRSs – (2012–2014 Cycle)	1 January 2016*

* Not yet endorsed by the EU.

Exploration and appraisal costs

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

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

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

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

Inventories

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

Taxation

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

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

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

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

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

Foreign currencies

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

Property, plant and equipment and depreciation

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

2 Accounting policies *continued*

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 ratwa to the Group's interest in the joint operations. The Group conducts its exploration, development and production activities jointly with other companies in this way.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. If these estimates and assumptions are significantly over or under stated, this could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The areas where this could impact the Group are:

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

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

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

3 Segmental analysis

The Group has two reportable segments being exploration for oil and gas and head office 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 2014

	Exploration for Oil and Gas US$000	Head Office US$000	Total US$000
Share based payment	–	(1,746)	(1,746)
Administrative expenses	(758)	(5,295)	(6,053)
Impairment of exploration asset	(33,629)	–	(33,629)
Finance income	–	1,546	1,546
Finance expense	–	(1,580)	(1,580)
Tax expense	–	(311)	(311)
Loss after taxation	(34,387)	(7,386)	(41,773)
Additions to non-current assets	17,287	63	17,350
Total assets	109,164	55,019	164,183
Total liabilities	(870)	(1,262)	(2,132)
Net assets	108,294	53,757	162,051

31 December 2013

	Exploration for Oil and Gas US$000	Head Office US$000	Total US$000
Share based payment	–	(2,219)	(2,219)
Administrative expenses	(956)	(5,052)	(6,008)
Impairment of exploration asset	–	–	–
Finance income	–	758	758
Finance expense	–	(1,177)	(1,177)
Tax expense	(1,702)	(107)	(1,809)
Loss after taxation	(2,658)	(7,797)	(10,455)
Additions to non-current assets	18,045	80	18,125
Total assets	136,103	58,326	194,429
Total liabilities	(3,152)	(2,867)	(6,019)
Net assets	132,951	55,459	188,410

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2014

4 Loss from operations

	31 December 2014 US$000	31 December 2013 US$000
Loss from operations is stated after charging:		
Impairment of exploration asset	33,629	–
Operating lease – office rental	606	329
Depreciation	334	349
Share based payments – Share Option Scheme	258	303
Share based payments – Long Term Incentive Scheme	1,378	1,891
Share based payments – Restricted Share Unit Scheme	110	25
Auditors' remuneration:		
Fees payable to the Company's Auditors for the audit of the Company's annual accounts	72	72
Audit of the Company's subsidiaries pursuant to legislation	18	17
Fees payable to the Company's Auditors for the review of the Company's interim accounts	12	12
Total payable	**102**	**101**

5 Lease commitments

	31 December 2014 US$000	31 December 2013 US$000
Not later than one year	508	557
Later than one year and not later than five years	749	1,230
Total	**1,257**	**1,787**

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

6 Employment costs

Employees

	31 December 2014 US$000	31 December 2013 US$000
Wages and salaries	3,287	2,941
Payment in lieu of notice/compromise payment	274	–
Pension costs	167	169
Share based payments	1,022	1,387
Sub-total	**4,750**	**4,497**
Capitalised to exploration costs	(2,174)	(1,669)
Total	**2,576**	**2,828**

Key management personnel

	31 December 2014 US$000	31 December 2013 US$000
Wages and salaries	2,347	1,657
Pension costs	31	29
Share based payments	724	832
Sub-total	**3,102**	**2,518**
Capitalised to exploration costs	(854)	(452)
Total	**2,248**	**2,066**

The Directors are the key management personnel of the Group. Details of the Directors' emoluments and interest in shares are shown in the Directors' Remuneration Report.

7 Finance income and expense

Finance income

	31 December 2014 US$000	31 December 2013 US$000
Bank interest receivable	1,546	758
Total	**1,546**	**758**

Finance expense

	31 December 2014 US$000	31 December 2013 US$000
Foreign exchange loss	1,580	1,177
Total	**1,580**	**1,177**

8 Investments

The Company's wholly owned subsidiary undertakings at 31 December 2014 and 31 December 2013, 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 & Gas Statistics Limited	Service company	UK
Enigma Oil & Gas Exploration (Proprietary) Limited[1]	Oil and gas exploration	Namibia
Chariot Oil & Gas Investments (Brazil) Limited	Holding company	Guernsey
Chariot Brasil Petroleo e Gas Ltda	Oil and gas exploration	Brazil
Chariot Oil & Gas Finance (Brazil) Limited[1]	Service company	Guernsey

(1) Indirect shareholding of the Company.

9 Taxation

Prior to 30 January 2014, the Company was tax resident in Guernsey, where corporate profits are taxed at zero per cent. From 30 January 2014, the Company was tax resident in the UK, however no tax charge arises due to taxable losses for the period 30 January 2014 to 31 December 2014.

No taxation charge arises in Namibia, Morocco or the UK subsidiaries as they have recorded taxable losses for the year (31 December 2013: US$Nil).

In 2013, in Mauritania there was a Capital Gains Tax payable of US$1,702,000 due to the farm-out of 35% of licence C-19 offshore Mauritania to Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy Plc, which completed on 11 October 2013. In 2014, no taxation charge arises in Mauritania due to taxable losses for the year.

In Brazil, there were taxable profits due to interest received on cash balances resulting in a tax charge payable of US$311,000 (31 December 2013: US$107,000). There was no deferred tax charge or credit in either period presented.

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2014

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 2014 US$000	31 December 2013 US$000
Tax reconciliation		
Loss on ordinary activities for the year before tax	(41,462)	(8,646)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (31 December 2013: Guernsey 0%)	(8,914)	–
Non-deductible expenses	7,677	–
Difference in tax rates in other jurisdictions	134	(192)
Deferred tax effect not recognised	1,414	299
Mauritanian Capital Gains Tax of 10% (31 December 2013: 10%)	–	1,702
Total taxation charge	**311**	**1,809**

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$3.7 million (31 December 2013: US$2.3 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$41,773,000 (31 December 2013: loss of US$10,455,000) and on 222,449,858 ordinary shares (31 December 2013: 200,913,999) 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 2014 US$000	31 December 2013 US$000
Net book value brought forward	**128,284**	**136,639**
Additions	17,287	18,045
Farm-in proceeds	(10,691)	(26,400)
Impairment	(33,629)	–
Net book value carried forward	**101,251**	**128,284**

As at 31 December 2014 the net book values of the six cost pools are Northern Blocks offshore Namibia US$Nil (31 December 2013: US$33.6 million), Central Blocks offshore Namibia US$43.0 million (31 December 2013: US$42.4 million), Southern Blocks offshore Namibia US$47.3 million (31 December 2013: US$45.2 million), Mauritania US$3.9 million (31 December 2013: US$2.8 million), Morocco US$3.2 million (31 December 2013: US$1.6 million) and Brazil US$3.9 million (31 December 2013: US$2.7 million).

Farm-in proceeds in 2014 are in relation to the farm-out of 25% of the Rabat Deep Offshore permits I-IV, Morocco, to a wholly owned subsidiary of Woodside Petroleum Limited, which completed on 23 December 2014. Farm-out proceeds in 2013 are in relation to the farm-out of 35% of licence C-19 offshore Mauritania to Capricorn Mauritania Limited, a wholly owned subsidiary of Cairn Energy Plc, which completed on 11 October 2013.

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

12 Property, plant and equipment

	Fixtures, fittings and equipment 31 December 2014 US$000	Fixtures, fittings and equipment 31 December 2013 US$000
Cost		
Brought forward	1,665	1,585
Additions	63	80
Disposals	(79)	–
Carried forward	1,649	1,665
Depreciation		
Brought forward	1,052	703
Charge	334	349
Disposals	(79)	–
Carried forward	1,307	1,052
Net book value brought forward	**613**	**882**
Net book value carried forward	**342**	**613**

13 Trade and other receivables

	31 December 2014 US$000	31 December 2013 US$000
Other receivables and prepayments	**1,681**	**1,614**

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

14 Inventory

	31 December 2014 US$000	31 December 2013 US$000
Wellheads and casing	**7,427**	**7,234**

Notes Forming Part of the Financial Statements

for the Year Ended 31 December 2014

15 Cash and cash equivalents

	31 December 2014 US$000	31 December 2013 US$000
Analysis by currency		
US Dollar	41,627	43,389
Brazilian Real	11,566	12,606
Sterling	267	633
Namibian Dollar	11	51
Mauritanian Ouguiya	11	5
	53,482	**56,684**

The cash balance of US$53.5 million (31 December 2013: US$56.7 million) does not include US$1.4 million (31 December 2013: US$Nil) held in a Brazilian Real denominated escrow bank account. At 31 December 2014 the Group did not control or benefit from this escrow cash. This escrow cash and the related 25% farm-out of the Brazilian blocks to a wholly owned subsidiary of AziLat Limited will be recognised post year end on completion of the farm-out agreement.

As at 31 December 2014, the cash balance of US$53.5 million (31 December 2013: US$56.7 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

	31 December 2014 US$000	31 December 2013 US$000
Brazilian licences	10,745	12,160
Mauritanian licence	500	2,500
Moroccan licences	1,900	1,000
Namibian 2714B licence	300	300
	13,445	**15,960**

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 2014 US$000	31 December 2013 US$000
Trade payables	714	1,976
Accruals	1,376	2,234
Tax payable	42	1,809
	2,132	**6,019**

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

17 Share capital

	Authorised			
	31 December 2014 Number	31 December 2014 US$000	31 December 2013 Number	31 December 2013 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 2014 Number	31 December 2014 US$000	31 December 2013 Number	31 December 2013 US$000
Ordinary shares of 1p each*	262,294,113	4,779	201,789,805	3,776

* The authorised and initially allotted and issued share capital on admission (19 May 2008) has been translated at the historic rate of US$:GBP of 1.995. The shares issued since admission have been translated at the date of issue, or, in the case of the LTIP, the date of grant and not subsequently retranslated.

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

Date	Description	Price US$	No of shares
1 January 2013	**Opening Balance**		**200,641,135**
10 April 2013	Issue of shares as part of LTIP	3.61	30,000
10 April 2013	Issue of shares as part of LTIP	1.74	9,366
23 April 2013	Issue of shares as part of LTIP	4.38	10,500
23 April 2013	Issue of shares as part of LTIP	1.74	3,097
23 April 2013	Issue of shares as part of LTIP	1.95	10,000
2 October 2013	Issue of shares as part of LTIP	2.95	12,768
2 October 2013	Issue of shares as part of LTIP	0.50	75,881
2 October 2013	Issue of shares as part of LTIP	1.74	27,676
8 October 2013	Issue of shares as part of LTIP	1.95	10,000
8 October 2013	Issue of shares as part of LTIP	0.50	173,443
8 October 2013	Issue of shares as part of LTIP	1.74	4,055
8 October 2013	Issue of shares as part of LTIP	0.32	71,304
8 October 2013	Issue of shares as part of LTIP	1.70	55,000
8 October 2013	Issue of shares as part of LTIP	4.38	4,000
21 October 2013	Issue of shares as part of LTIP	0.45	150,000
21 October 2013	Issue of shares as part of LTIP	4.38	14,000
21 October 2013	Issue of shares as part of LTIP	0.50	162,602
21 October 2013	Issue of shares as part of LTIP	0.32	114,978
22 October 2013	Issue of shares as part of LTIP	0.50	120,000
22 October 2013	Issue of shares as part of LTIP	1.36	40,000
22 October 2013	Issue of shares as part of LTIP	0.50	50,000
31 December 2013			**201,789,805**
26 February 2014	Issue of shares as part of LTIP	4.38	14,000
26 February 2014	Issue of shares as part of LTIP	0.57	150,000
26 February 2014	Issue of shares as part of LTIP	0.50	73,171
26 February 2014	Issue of shares as part of LTIP	0.35	83,494
12 March 2014	Issue of shares as part of LTIP	0.50	26,498
12 March 2014	Issue of shares as part of LTIP	0.44	5,696
21 March 2014	Issue of shares as part of LTIP	4.38	7,000
24 April 2014	Issue of shares as part of LTIP	0.50	25,000
29 August 2014	Issue of shares at £0.15 in Placing	0.25	58,596,038
2 September 2014	Issue of shares as part of LTIP	0.30	129,601
2 September 2014	Issue of shares as part of LTIP	0.27	226,350
2 September 2014	Issue of shares as part of LTIP	2.92	25,000
2 September 2014	Issue of shares as part of LTIP	4.38	14,000
2 September 2014	Issue of shares as part of LTIP	0.50	439,024
2 September 2014	Issue of shares as part of LTIP	0.33	50,000
10 October 2014	Issue of shares as part of LTIP	4.38	7,500
10 October 2014	Issue of shares as part of LTIP	0.50	327,867
10 October 2014	Issue of shares as part of LTIP	2.95	12,768
10 October 2014	Issue of shares as part of LTIP	1.25	26,666
10 October 2014	Issue of shares as part of LTIP	1.36	40,000
10 October 2014	Issue of shares as part of LTIP	0.19	224,635
31 December 2014			**262,294,113**

18 Related party transactions

- Key management personnel comprises the Directors and details of their remuneration are set out in note 6 and the Directors' Remuneration Report.
- Westward Investments Limited ("Westward") is a company where Robert Sinclair is a Director and which is owned by a discretionary trust of which Adonis Pouroulis is one of a number of beneficiaries. During the year ended 31 December 2014, Westward received administrative services from an employee of Chariot for which Westward incurred fees payable to Chariot of US$24,490 (31 December 2013: US$14,845). The amount outstanding as at 31 December 2014 was US$27,101 (31 December 2013: US$2,611) which was received post year end.
- Benzu Resources Limited ("Benzu") is a company where Adonis Pouroulis is a Director. During the year ended 31 December 2014, Benzu received administrative services from an employee of Chariot for which Benzu incurred fees payable to Chariot of US$14,157 (31 December 2013: US$14,845). The amount outstanding as at 31 December 2014 was US$24,603 (31 December 2013: US$10,446) which was received post year end.
- Pella Resources Limited ("Pella") is a company where Robert Sinclair and Adonis Pouroulis are Directors. During the year ended 31 December 2014, Pella received administrative services from an employee of Chariot for which it incurred fees payable to Chariot of US$39,590 (31 December 2013: US$75,699). The amount outstanding as at 31 December 2014 was US$44,170 (31 December 2013: US$4,580) 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 2014, no trading in financial instruments was undertaken (31 December 2013: US$Nil). There is no material difference between the book value and fair value of the Group cash balances, short term receivables and payables.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) and foreign exchange rates (currency risk). Throughout the year, the Group has held surplus funds on deposit, principally with its main relationship banks Barclays and BNP Paribas, on fixed short term deposits. The Group does not undertake any form of speculation on long term interest rates or currency movements, therefore it manages market risk by maintaining a short term investment horizon and placing funds on deposit to optimise short term yields where possible but, moreover, to ensure that it always has sufficient cash resources to meet payables and other working capital requirements when necessary. As such, market risk is not viewed as a significant risk to the Group. The Directors have not disclosed the impact of interest rate sensitivity analysis on the Group's financial assets and liabilities at the year end as the risk is not deemed to be material.

Currency risk

The Group has limited currency risk in respect of items denominated in foreign currencies. Currency risk comprises transactional exposure in respect of operating costs and capital expenditure incurred in currencies other than the functional currency of operations.

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 ongoing corporate and overhead commitments.

At the year end, the Group had cash balances of US$53.5 million (31 December 2013: US$56.7 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$1,186,000 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 2013: US$1,330,000).

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 ongoing needs for at least the next 12 months.

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

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

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

The Group currently acts as Operator in three non-carried Joint Venture relationships on three of the Group's licences and therefore from time to time is owed money from its Joint Venture partners. The Joint Venture partner which has a 20% interest in the Central Blocks in Namibia is an entity which is 48% owned by one of the world's largest seismic and geoscience companies. The Joint Venture partner which has a 35% interest in the Mauritanian licence is an entity which is wholly owned by a FTSE 250 company. The Joint Venture partner which has a 25% interest in the Rabat Deep Offshore permits I-IV, Morocco, is an entity which is wholly owned by Australia's largest oil company.

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

20 Share based payments
Share Option Scheme
During the year, the Company operated the Chariot Oil & Gas Share Option Scheme ("Share Option Scheme"). The Company recognised total expenses (all of which related to equity settled share based payment transactions) under the plan of:

	31 December 2014 US$000	31 December 2013 US$000
Share Option Scheme	258	303

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 2014 Number of Options	31 December 2013 Number of Options
Outstanding at beginning of the year	**4,000,000**	**5,400,000**
Granted during the year	–	2,750,000
Lapsed during the year	–	(3,450,000)
Cancelled during the year	–	(700,000)
Outstanding at the end of the year	**4,000,000**	**4,000,000**
Exercisable at the end of the year	**4,000,000**	**1,250,000**

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for the Year Ended 31 December 2014

20 Share based payments *continued*

The range of the exercise price of share options exercisable at the year end falls between US$0.39 (25p) – US$1.94 (125p) (31 December 2013: US$0.41 (25p) – US$2.06 (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
27 March 2008	£0.62	£1.21	£1.30	32%	10 years	4.94%	0%
13 November 2009	£0.17	£0.26	£0.26	80%	5 years	4.3%	0%
15 January 2010	£0.19	£0.28	£0.25	80%	5 years	4.3%	0%
1 June 2010	£0.89	£1.29	£1.15	80%	5 years	4.3%	0%
17 August 2010	£0.71	£1.09	£1.19	80%	5 years	4.3%	0%
1 September 2011	£0.87	£1.29	£1.25	80%	5 years	4.3%	0%
22 April 2013	£0.11	£0.186	£0.273	80%	5 years	1.5%	0%

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

Long Term Incentive Scheme ("LTIP")

The plan provides for the awarding of shares to employees and Directors for nil consideration. The award will lapse if an employee or Director leaves employment.

Shares granted when an individual is an employee will vest in equal instalments over a three year period from the grant date and shares granted when an individual is a Director will vest three years from the end of the year that the award relates.

The Group recognised a charge under the plan for the year to 31 December 2014 of US$1,378,000 (31 December 2013: US$1,891,000).

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

	31 December 2014 Number of awards	31 December 2013 Number of awards
Outstanding at beginning of the year	**6,886,638**	**6,265,174**
Granted during the year	3,256,581	2,251,638
Shares issued for no consideration during the year	(1,908,270)	(1,148,670)
Lapsed during the year	(281,335)	(481,504)
Outstanding at the end of the year	**7,953,614**	**6,886,638**
Exercisable at the end of the year	**2,605,862**	**1,176,877**

Non-Executive Directors' Restricted Share Unit Scheme ("RSU")
The plan provides for the awarding of shares to Non-Executive Directors for nil consideration. An award can be Standalone or Matching.

Standalone share awards are one-off awards to Non-Executive Directors which will vest in equal instalments over a three year period and will lapse if not exercised prior to stepping down from the Board.

Matching share awards will be granted equal to the number of existing Chariot shares purchased by the Non-Executive Director in each calendar year capped at the value of their gross annual fees for that year. The shares will vest in equal instalments over a three year period and will lapse if not exercised prior to stepping down from the Board or if the original purchased shares are sold prior to the vesting of the relevant Matching award. Any potential Matching awards not granted in a calendar year shall be forfeited and shall not roll over to subsequent years.

The Group recognised a charge under the plan for the year to 31 December 2014 of US$110,000 (31 December 2013: US$25,000).

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

	31 December 2014 Number of awards	31 December 2013 Number of awards
Outstanding at beginning of the year	**505,663**	–
Granted during the year	753,528	505,663
Outstanding at the end of the year	**1,259,191**	**505,663**
Exercisable at the end of the year	**168,555**	–

21 Contingent liabilities
From 30 December 2011 the Namibian tax authorities introduced a withholding tax of 25% on all services provided by non-Namibian entities which are received and paid for by Namibian residents. As at 31 December 2014, based upon independent legal and tax opinions, the Group has no withholding tax liability (31 December 2013: 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.

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Designed and produced by **SampsonMay**
Telephone: 020 7403 4099 www.sampsonmay.com

Printed by **L&S Printing**, London, UK.

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