



6th September 2010

**Chariot Oil & Gas Limited
("Chariot", the "Company" or the "Group")**

Further Increase in Gross Mean Unrisked Prospective Resources to over 10 billion barrels

Chariot Oil & Gas Limited (AIM: CHAR), the Africa focused oil and gas exploration company, is pleased to announce an update to its Namibian resource potential. The resource update is based upon the mapping and interpretation of the 3D seismic datasets received at the beginning of July for blocks 1811A&B in the North and blocks 2714A&B in the South and the final interpretation of the 2D seismic in its Central blocks offshore Namibia. Following this, a further 1.5 billion barrels of unrisked prospective resources have been identified, the total gross resource volume now standing at over 10 billion barrels. Chariot is also pleased to report an increased Chance of Success across the prospect and lead inventory.

Highlights of the findings include:

- 2.2 billion barrels in the Northern blocks
- 3.7 billion barrels in the Southern blocks
- 4.1 billion barrels in the Central blocks
- Increased confidence in rich oil prone source rock in the North – optimal environment for preserved hydrocarbon accumulation
- Multiple structural closures identified in South – also in oil window
- Prospects increased to 11 – current inventory: 11 prospects, 6 leads

This volume update follows the March 2010 release when the initial potential in the Central Blocks (licences 2312A&B and the northern halves of 2412A&B) was announced which took the total to 8.5 billion barrels of gross unrisked prospective resources. Today's announcement increases this by a further 18% to approximately 10 billion barrels.

As announced in July, the final depth converted 3D seismic volumes covering a total area of 4,500km² were received from the contractor, on schedule. The data was of exceptionally high quality and covered 1,500km² over the Northern blocks and 3,000km² over the Southern blocks (2,500km² acquired with partners Petrobras in 2714A). The acquisition of this data has been invaluable – significantly enhancing the understanding of the geologic setting within these licence areas.

Northern Blocks

In Block 1811A, the various Tapir structural leads are confirmed as prospects with the addition of draping fan sands in providing stratigraphic trapping upside. There is evidence of Direct Hydrocarbon Indicators (DHI's) within the data set and work is underway to quantify its significance. Further risk reduction will be substantial if these studies are concluded positively. Additionally further geologic studies have increased our confidence in the presence of a rich oil prone Cenomanian to Turonian source rock in 1811A&B which is mature for oil generation present day – this being optimal for preserved hydrocarbon accumulation. These studies also confirm our assessment of good quality turbidite sandstone reservoirs likely to be present in both Upper Cretaceous and Tertiary levels over our mapped prospective areas.

Southern Blocks

In Block 2714, interpretation has confirmed multiple structural closures at several target levels in the Upper Cretaceous, Albian and Barremian levels with additional stratigraphic upside mapped at the Barremian level - this is the same level as the existing Kudu field. Geologic studies have demonstrated that the likely source levels in the synrift and / or basal drift interval are presently in the oil window in the kitchen areas underlying block 2714

whereas these same oil prone source rocks are buried significantly deeper and in the gas window below the Kudu field. For this reason we believe the phase of any charge in our prospects will be oil rather than gas.

The table below sets out the prospective resource estimates for the full Chariot inventory. The volumetrics which have led to the resource increase were based on probabilistic Monte Carlo simulations for these structures. All blocks are 100% owned and operated by Enigma Oil & Gas Exploration (Pty) Limited, a wholly owned subsidiary of Chariot, with the exception of block 2714A in the South, which is 50% owned in partnership with Petrobras.

Region	Status	Probabilistic Volume Method (Monte Carlo Simulation)	Gross attributable to Licence in MMbbls				Net attributable to Group MMbbls				Risk Factor *** (%)	Working Interest (%)	Operator
			Low Estimate	Best Estimate	High Estimate	Mean	Low Estimate	Best Estimate	High Estimate	Mean			
			P90	P50	P10		P90	P50	P10				
North	Prospect	Tapir N	321	409	514	414	321	409	514	414	11%	100%	Enigma
North	Prospect	Tapir	167	208	255	210	167	208	255	210	11%	100%	Enigma
North	Prospect	Tapir S	126	165	215	168	126	165	215	168	11%	100%	Enigma
North	Lead	Tapir NE	367	500	671	511	367	500	671	511	10%	100%	Enigma
North	Prospect	Tapir S Fan	171	260	383	270	171	260	383	270	13%	100%	Enigma
North	Prospect	Zamba N	39	90	192	105	39	90	192	105	14%	100%	Enigma
North	Lead	Zamba	247	518	999	581	247	518	999	581	15%	100%	Enigma
		Total Northern Block Oil*	1,845	2,223	2,714	2,257	1,845	2,223	2,714	2,257		100%	Enigma
South	Prospect	A Structural	77	108	150	112	39	54	75	56	18%	50%	Enigma
South	Prospect	B Structural	281	373	484	379	141	187	242	190	18%	50%	Enigma
South	Prospect	C Structural	260	351	460	356	130	176	230	178	18%	50%	Enigma
South	Lead	C Stratigraphic	752	1,107	1,550	1,133	376	554	775	567	10%	50%	Enigma
South	Prospect	G Structural	693	917	1,189	932	347	459	595	466	20%	50%	Enigma
South	Prospect	H Structural	136	188	254	191	68	94	127	96	18%	50%	Enigma
South	Prospect	K Structural	408	602	845	617	204	301	423	309	18%	50%	Enigma
		Total Southern Block Oil*	3,220	3,718	4,298	3,742	1,610	1,859	2,149	1,871		50%	Enigma
Central	Lead	Klipspringer	902	1,909	3,732	2,153	902	1,909	3,732	2,153	5%	100%	Enigma
Central	Lead	Hartebeest	467	1,220	2,643	1,425	467	1,220	2,643	1,425	5%	100%	Enigma
Central	Lead	Oryx	197	422	836	480	197	422	836	480	5%	100%	Enigma
		Total Central Block Oil*	2,291	3,855	6,168	4,061	2,291	3,855	6,168	4,061		100%	Enigma
Namibia		Total Northern, Central and Southern**	7,356	9,796	13,180	10,060	5,746	7,937	11,031	8,189			Enigma

* Total resource numbers are probabilistically summed and therefore the figures do not add arithmetically

** Arithmetic sum of statistical block totals

*** Many of the prospects and leads in the Northern and Southern blocks have multiple horizons with independent chances of success. For example, Tapir North has a consolidated risk factor of 26% for finding hydrocarbons. The stated risk factors, however, are consistent with the given volumes.

Paul Welch, CEO commented, "I am delighted to report these newly updated resource volumes and the increased chance of success. These results are highly encouraging and serve to further underpin our conviction of the value and potential of our assets offshore Namibia. With gross mean unrisks prospective resources of over 10 billion barrels, Chariot is now a significant player in offshore West African exploration and we are very proud of our efforts and progress to date."

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QUALIFIED PERSON

Martin Richards, Chariot's Chief Reservoir Engineer, is the qualified person for the purpose of this release. Martin has worked in the oil and gas industry for over 30 years and has an in-depth experience of all aspects of subsurface management, reservoir engineering and petroleum economics. He has an MA in Physics from Oxford University, an MSc in Geophysics and Planetary Physics from Newcastle University and an MEng in Petroleum Engineering from Heriot-Watt University. He has compiled, read and approved the technical disclosures in this announcement.

Resources estimates are reported in accordance with the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

About Chariot

Chariot Oil & Gas Limited (www.chariotoilandgas.com) is an independent oil and gas exploration group. The Group currently holds licences covering eight blocks in Namibia, all of which are offshore. All of these blocks are currently in the exploration phase.

Shares in Chariot Oil & Gas limited are admitted to trading on the AIM Market of the London Stock Exchange under the symbol 'CHAR'.