RNS Number : 9198F
Chariot Limited
27 September 2024

27 September 2024

**Chariot Limited**

**("Chariot", the "Company")**

**H1 2024 Results**

Chariot (AIM: CHAR), the Africa focused transitional energy company, today announces its unaudited interim results for the six-month period ended 30 June 2024.

**Adonis Pouroulis, CEO of Chariot commented**: *"We are providing an update on our Interim results today, but the main news recently has been around the drilling campaign offshore Morocco. As reported, the preliminary results of the Anchois-3 well did not deliver as expected. Post-well analysis is now underway and we will collaborate with our joint venture partners to determine the forward plan for the project. We still see a lot of potential within the Anchois field and the wider licence area, across Lixus and Rissana, and these drilling results need to be further analysed and incorporated into our understanding of the area.*

*Alongside this work, we continue to unlock the value of the other projects in our portfolio. We are making good progress on the financing of the Transitional Power business in South Africa, we have the onshore Loukos licence in Morocco, Project Nour and the electrolyser project in our Green Hydrogen pillar as well as the new venture opportunity.*

*The unexpected Anchois-3 well results have clearly had a significant impact on our share price therefore we have decided to take stock and consider our next steps with the project. We will provide further updates on forward plans across the business as soon as we are able to."*

**Highlights during and post period**

**Transitional Gas**

**Offshore Morocco:**

- Partnership agreements completed with Energean plc ("Energean") on the Lixus and Rissana licences offshore Morocco with Energean taking Operatorship and carrying the drilling campaign up to a gross cost of US 85m
- Drilling campaign commenced at the Anchois-3 well in August and completed in September, having drilled safely and efficiently to target depths
    - Multiple gas bearing reservoirs were discovered in the B sand appraisal interval in the main hole, although with thinner associated gas pays than anticipated, and other target reservoirs were found to be water wet. Post-well evaluation underway

**Onshore Morocco:**

- Two well drilling campaign successfully conducted in May 2024 safely and efficiently
    - The RZK-1 well drilled on the Gaufrette prospect confirmed good quality reservoir and multiple gas shows, though was sub economic
    - Gas discovery confirmed from drilling the OBA-1 well at the Dartois prospect - gross interval approximately 70m of primary interest identified
    - OBA-1 well cased and cemented with a Christmas tree installed for rigless flow testing and potential use as a future producer
- Heads of Terms agreement signed with Vivo Energy to progress future commercialisation of onshore gas to industry business

**Transitional Power:**

- Strategic Review initiated to look to secure funding at the subsidiary level and enable ongoing growth and development of the portfolio
- Multiple expressions of interest received from South African focused investors to finance both the Etana platform and generation assets
    - Financing negotiations are progressing well
    - Potential financing terms will provide a read through valuation for the business

*Electricity Trading:*

- Increased holding to 49% stake in South African electricity trading joint venture Etana Energy (Pty) Limited (Etana)
    - Provides end to end electricity solutions by generating and trading energy through South Africa's national grid
    - Many generators to many offtakers business model - electricity offtake agreements signed with a range of large consumers including Growthpoint Properties, Autocast, Petra Diamonds and Tharisa

- Enables Chariot's participation in large renewable generation projects - 400MW of gross wind generation capacity identified

*Power to Mining Projects:*

- Operational Essakane 15MW solar project at IAMGOLD's gold mine in Burkina Faso
- Developments ongoing at three key projects in Africa:
    - Tharisa - 40MW solar project in South Africa
    - Karo - 30MW solar project in Zimbabwe
    - First Quantum Minerals - 430MW solar and wind projects in Zambia

*Water:*

- Water desalination project in Djibouti running well
- Other projects under evaluation in areas of water scarcity across the continent
- Also pursuing funding for this business at the subsidiary level

**Green Hydrogen:**

- Feasibility studies in Mauritania completed with partner TEH2 (80% owned by TotalEnergies and 20% owned by the EREN Group) and its in-house 'OneTech' engineering unit
    - Confirmed scale and scope of project and outlined phased development approach
    - Progressing offtake discussions
- Ongoing development of green hydrogen pilot project in Morocco in partnership with Oort Energy and University Mohammed VI Polytechnic ("UM6P")
- Pursuing financing options at the subsidiary level

**Corporate and Financial**

- Cash position as at 30 June 2024 of US 3.6 million supplemented by a fundraise completed in July 2024 which raised circa US 9 million (gross)

**Enquiries**

| | |
|---|---|
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**Chariot Limited**

**Chief Executive's Review**

Today we present our interim results outlining the workstreams and progress across our business pillars through to June and post period to date. Within each of these verticals we are looking to develop domestic energy resources that can provide accessible, sustainable solutions and help alleviate power poverty across the African continent. This is the ethos that underpins the Chariot strategy and business model and whilst recent events have had a material impact on our share price, we maintain the importance and positioning of our portfolio within the energy transition.

**Transitional Gas**

*Lixus and Rissana Offshore licences (Energean, Operator, holding 45% in Lixus and 37.5% in Rissana, Chariot 30% and 37.5% respectively, ONHYM 25% in both licences)*

As we announced on the 16 September, the Anchois East drilling campaign conducted at the Anchois gas project in the Lixus Offshore licence along with our partners Energean and ONHYM was safely and efficiently drilled to target depth in both the Pilot and Main Holes. This evaluated all of the pre-drill reservoir targets however the results did not deliver as anticipated or in line with the excellent results of the previously drilled Anchois-2 well.

As stated in our press release, multiple good quality gas bearing reservoirs were found in the B sand appraisal interval in the Main Hole, but the associated gas pays were interpreted to be lower than the pre-drill geological model and other target reservoirs beneath the B sands were also encountered but were water wet. The appraisal target reservoirs of the C and M sand were drilled deeper than the gas bearing sands in the Anchois-2 well and into the water-leg at this down-dip location. The Anchois North Flank exploration prospect was found to have well-developed O sand reservoirs, with associated gas shows, but also water wet. Both holes were plugged and abandoned, without flow testing the Main Hole, and the drill ship was demobilised.

The primary exploration objectives were unsuccessful however, we did demonstrate the extension of gas bearing reservoirs in the B sand interval and the data acquired from the other reservoirs will be useful for our understanding of the field as well as establishing the impact on pre-drill estimates.

Our team have worked very hard over the past few years on this asset, from drilling the Anchois-2 discovery, completing the FEED, securing Energean as a partner and taking it through this drilling campaign. Whilst there is always risk in drilling, the successful farm-out process provided validation of the pre-drill prospectivity and potential of the targets and we were looking to deliver an expanded development following this campaign. Clearly the results were below expectations but Chariot still believes the Anchois field and the surrounding licence areas have a lot of potential. Post well analysis is underway and we will work with our joint venture partners to determine the next steps for the project.

*Loukos Onshore Licence (Chariot, Operator, 75%, ONYHM, 25%)*

We successfully drilled two wells in the onshore Loukos licence in May with a discovery at the OBA-1 well which reported an approximate 70m gross interval of primary interest, with elevated resistivities coincident with elevated mud gas readings and interpreted gas pays. The team have also been interpreting reprocessed seismic across the acreage and have identified a number of additional exploration targets not evident on previous data. The uplift in quality of this dataset has helped define new amplitude-supported target structures as well as potential commercial opportunities within and around the historic discoveries situated on block.

Our partnership agreement with Vivo Energy announced in June has the potential to play a key part in commercialising future onshore production as it will enable the build out and distribution of gas via a virtual compressed natural gas ("CNG") pipeline. CNG is a low cost, flexible development solution and gas would initially be delivered into the high demand local Kenitra industrial market which is just 40km from Loukos. The partnership would also be able to trade third party gas which could drive further expansion and growth into regional hubs and generate an additional future value stream for both parties.

In light of the results from the Anchois-3 drilling campaign, we are reviewing our work programme for the Loukos licence as we look to preserve capital and utilise funds in the most optimal way. We will provide an update on this and the forward plans in due course.

*New Venture*

As flagged when we undertook our fundraise in July, we are in the process of progressing a multi-billion barrel new venture opportunity in a basin where we have extensive operational and technical expertise. We applied for this as a priority new venture target as it could catalyse further scale and growth of our portfolio and ties in with our focus on developing domestic resources on the African continent. Should we secure this asset we will look to partner and fund this at the asset level to fast track an exploration and drilling programme.

**Transitional Power**

Since we increased our interest in Etana Energy to 49%, along with partners H1 Holdings who hold 51%, this renewable energy trading platform has grown faster than we expected. With one of only five electricity trading licences granted by the National Energy Regulator in South Africa, Etana has access to a sector that is rapidly de-regulating and can tap into the huge supply and demand need from both generation and consumer markets. Etana can trade both output from renewable energy generators across the country as well as power generated by Eskom and it provides an end to end solution by buying electricity and selling it to business customers through wheeling it across the national grid. As well as generating and delivering cost effective, lower carbon energy this business model helps companies reduce their carbon footprint and facilitates the build of large-scale generation infrastructure which will be important for ongoing future output.

In recent months, Etana has announced multiple power purchase agreements with some of South Africa's largest energy users, including Growthpoint, Autocast, Petra Diamonds and Tharisa, with many more in negotiation. The wide interest we have received to fund this business is indicative of the solid fundamentals and value that can be created here. We are looking to retain a material stake and we look forward to finalising the financing as it will both provide us with a read-through valuation and enable Etana to ramp up trading and generation activity.

Our renewable power to mining projects also continue to progress with operations ongoing in Burkina Faso at IamGold's Essakane solar plant and progress being made at the Buffelspoort project in South Africa with Tharisa (which is connected to the Etana platform through its power purchase agreement as well as our stake in the solar generation asset), the solar plant in Zimbabwe with Karo Mining, and the wind and solar projects in development in Zambia with First Quantum.

We are very proud of our water desalination project in Djibouti, which is providing clean, potable desalinated water to local communities, powered by solar energy. This will provide access to water for the next 20 years and we are looking to replicate this business model in other regions whilst also looking to finance this at the subsidiary level.

**Green Hydrogen**

At our flagship green hydrogen project, Project Nour in Mauritania, we completed our Feasibility Study alongside our partners TE H2 (80% owned by TotalEnergies and 20% owned by the EREN Group) in March which confirmed the world class scale of the project and outlined a phased approach for domestic and export development. We continue to work closely with Total Energies' One Tech engineering team and the Government of Mauritania who recently published its Hydrogen Code. With this Code now ratified, we can progress the signature of our Investment Convention and thereafter conduct concept studies which will further inform our development plans going forward. We also continue to progress with our pilot project with Mauritania's national iron ore mining company, SNIM, and TE H2 where we are scoping options to decarbonise local iron ore train transportation.

In Morocco, we look forward to the installation of the 1MW PEM electrolyser which we will be testing in an industrial setting at the Jorf Lafsar facilities in partnership with Oort Energy and UM6P. Whilst this is also pilot scale, the objective of this test is to produce green hydrogen and would be the first of its kind within Morocco. These pilot projects are important to us but are also key building blocks of the ongoing research and development across the wider hydrogen sector. As with our Power division, we are looking to fund this at the subsidiary level and we continue to progress financing avenues for this business.

**Financial Review**

The Group remains debt free and had a cash balance of US 3.6 million at 30 June 2024 (US 6.0 million at 31 December 2023) which was further increased in the post-period following the equity fundraising completed in August 2024 which raised gross proceeds of circa US 9 million.

Hydrogen and other business development costs of 1.0 million (30 June 2023: 0.9 million) comprise non-administrative expenses incurred in the Group's business development activities within the Green Hydrogen pillar, the majority of which relate to Project Nour feasibility studies and the proof of concept electrolyser project with Oort Energy and UM6P.

Other administrative expenses of US 5.1 million (30 June 2023: US 3.3 million) are higher than the prior period reflecting the scaling up of the team to progress the Loukos onshore licence and work on new venture opportunities, together with continued progress on the Transitional Power project portfolio.

Finance income of US 0.1 million (30 June 2023: US 0.2 million) is lower than the prior period due reduced foreign exchange gains on non-US cash.

Finance expenses of US 0.2 million (30 June 2023: US 0.02 million) are higher than the prior period reflecting the increased unwinding of the discount on the lease liability under IFRS 16, and the unwinding of the discount on the contingent consideration payable for the increased holding in Etana Energy (Pty) Limited.

Share-based payments charges of US 2.0 million (30 June 2023: US 3.9 million) are lower than the prior period due to diminishing charges on share options issued in previous periods.

We were very pleased with the support we received during our successful fundraise in August from new and existing investors as well an oversubscribed open offer. We thank our shareholders for their ongoing support.

**Outlook**

I would like to take this opportunity to say thank you as always to our employees, the Board and all our stakeholders across all of the different projects in our portfolio. We will now take the time to evaluate and process the post well analysis from Anchois and will carefully consider our forward plans. A more detailed update on the wider business will be provided in due course.

**Adonis Pouroulis**
**Chief Executive Officer**
**26 September 2024**

**Chariot Limited**

**Consolidated statement of comprehensive income for the six months ended 30 June 2024**

| | Notes | Six months ended 30 June 2024 US 000 Unaudited | Six months ended 30 June 2023 US 000 Unaudited (note1-restated) | Year ended 31 December 2023 US 000 Audited |
|---|---|---|---|---|
| Revenue | 3 | 80 | - | 80 |
| Share based payments | | (2,019) | (3,862) | (5,652) |
| Hydrogen and other business development costs | | (1,046) | (905) | (1,285) |
| Other administrative expenses | | (5,109) | (3,281) | (8,680) |
| Total operating expenses | | (8,174) | (8,048) | (15,617) |
| **Loss from operations** | | **(8,094)** | **(8,048)** | **(15,537)** |
| Finance income | | 60 | 150 | 202 |
| Finance expense | | (178) | (15) | (236) |
| **Loss for the period before and after taxation** | | **(8,212)** | **(7,913)** | **(15,571)** |
| **Other comprehensive income:** | | | | |
| **Items that will be reclassified subsequently to profit or loss** | | | | |
| Exchange differences on translating foreign operations | | 2 | 13 | (14) |
| **Other comprehensive income for the period, net of tax** | | **2** | **13** | **(14)** |
| **Total comprehensive loss for the period** | | **(8,210)** | **(7,900)** | **(15,585)** |

**(Loss)/profit for the period attributable to:**

| | | | | |
|---|---|---|---|---|
| Owners of the parent | | (8,221) | (7,912) | (15,578) |
| Non-controlling interest | | 9 | (1) | 7 |
| | | **(8,212)** | **(7,913)** | **(15,571)** |
| **Total comprehensive (loss)/profit attributable to:** | | | | |
| Owners of the parent | | (8,219) | (7,899) | (15,592) |
| Non-controlling interest | | 9 | (1) | 7 |
| | | **(8,210)** | **(7,900)** | **(15,585)** |
| **Loss per Ordinary share attributable to the equity holders of the parent - basic and diluted** | **4** | **US (0.01)** | **US (0.01)** | **US (0.02)** |

**Chariot Limited**

**Consolidated statement of changes in equity for the six months ended 30 June 2024**

| ***For the six months ended 30 June 2024 (unaudited)*** | **Share capital US 000** | **Share premium US 000** | **Share based payment reserve US 000** | **Other components of equity US 000** | **Retained deficit US 000** | **Total attributable to equity holders of the parent US 000** | **Non-controlling interest US 000** | **T e US** |
|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2024** | **15,714** | **431,292** | **10,605** | **779** | **(389,517)** | **68,873** | **5** | **68** |
| (Loss)/profit for the period | - | - | - | - | (8,221) | (8,221) | 9 | (8 |
| Other comprehensive income | - | - | - | 2 | - | 2 | - | |
| Loss and total comprehensive loss for the period | - | - | - | 2 | (8,221) | (8,219) | 9 | (8 |
| Issue of capital | 11 | 190 | (201) | - | - | - | - | |
| Share based payments | - | - | 2,019 | - | - | 2,019 | - | 2 |
| **As at 30 June 2024** | **15,725** | **431,482** | **12,423** | **781** | **(397,738)** | **62,673** | **14** | **62** |

| ***For the six months ended 30 June 2023 (unaudited - restated note 1)*** | **Share capital US 000** | **Share premium US 000** | **Share based payment reserve US 000** | **Other components of equity US 000** | **Retained deficit US 000** | **Total attributable to equity holders of the parent US 000** | **Non-controlling interest US 000** | **e US** |
|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2023** | **14,263** | **413,843** | **6,099** | **935** | **(374,081)** | **61,059** | **(2)** | **6** |
| Loss for the period | - | - | - | - | (7,912) | (7,912) | (1) | (7 |
| Other comprehensive income | - | - | - | 13 | - | 13 | - | |
| Loss and total comprehensive loss for the period | - | - | - | 13 | (7,912) | (7,899) | (1) | (7 |
| Issue of capital | 48 | 566 | (614) | - | - | - | - | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Movements on shares to be issued | - | - | - | (142) | 142 | - | - | |
| Share based payments | - | - | 3,862 | - | - | 3,862 | - | 3 |
| **As at 30 June 2023** | **14,311** | **414,409** | **9,347** | **806** | **(381,851)** | **57,022** | **(3)** | **57** |

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

**Chariot Limited**

**Consolidated statement of financial position as at 30 June 2024**

| | **Notes** | **30 June 2024 US 000 Unaudited (note 1)** | **30 June 2023 US 000 Unaudited (restated - note 1)** | **31 December 2023 US 000 Audited (note 1)** |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Exploration and evaluation assets | 5 | 60,078 | 57,650 | 62,956 |
| Investment in power projects | | 220 | 448 | 334 |
| Goodwill | | 380 | 380 | 380 |
| Equity-accounted investments | 6 | 1,850 | - | 58 |
| Property, plant and equipment | | 645 | 663 | 646 |
| Right of use asset: office lease | | 1,018 | 118 | 1,242 |
| **Total non-current assets** | | **64,191** | **59,259** | **65,616** |
| **Current assets** | | | | |
| Trade and other receivables | | 2,222 | 1,153 | 1,205 |
| Inventory | | 2,147 | 1,424 | 1,808 |

| | Note | | | |
|---|---|---|---|---|
| Cash and cash equivalents | 7 | 3,558 | 2,725 | 6,016 |
| **Total current assets** | | **7,927** | **5,302** | **9,029** |
| **Total assets** | | **72,118** | **64,561** | **74,645** |
| | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 7,304 | 7,392 | 4,429 |
| Lease liability: office lease | | 583 | 150 | 430 |
| **Total current liabilities** | | **7,887** | **7,542** | **4,859** |
| | | | | |
| **Non-current liabilities** | | | | |
| Lease liability: office lease | | 672 | - | 908 |
| Other liabilities: contingent consideration | 6 | 872 | - | - |
| **Total non-current liabilities** | | **1,544** | **-** | **908** |
| | | | | |
| **Total liabilities** | | **9,431** | **7,542** | **5,767** |
| | | | | |
| **Net assets** | | **62,687** | **57,019** | **68,878** |
| | | | | |
| **Capital and reserves attributable to equity holders of the parent** | | | | |
| Share capital | 8 | 15,725 | 14,311 | 15,714 |
| Share premium | | 431,482 | 414,409 | 431,292 |
| Share based payment reserve | | 12,423 | 9,347 | 10,605 |
| Other components of equity | | 781 | 806 | 779 |
| Retained deficit | | (397,738) | (381,851) | (389,517) |
| | | | | |
| **Capital and reserves attributable to equity holders of the parent** | | **62,673** | **57,022** | **68,873** |
| Non-controlling interest | | 14 | (3) | 5 |
| **Total equity** | | **62,687** | **57,019** | **68,878** |

**Chariot Limited**

**Consolidated cash flow statement for the six months ended 30 June 2024**

| | Six months ended 30 June 2024 US 000 Unaudited (note 1) | Six months ended 30 June 2023 US 000 Unaudited - (restated - note 1) | Year ended 31 December 2023 US 000 Audited (note 1) |
|---|---|---|---|
| **Operating activities** | | | |
| Loss for the period before taxation | (8,212) | (7,913) | (15,571) |
| Adjustments for: | | | |
| Finance income | (60) | (150) | (202) |
| Finance expense | 178 | 15 | 236 |
| Result from equity accounted investments | 109 | 5 | 17 |
| Change in value of investment in power project | 114 | - | 114 |
| Depreciation and amortisation | 255 | 233 | 485 |
| Share based payments | 2,019 | 3,862 | 5,652 |
| **Net cash outflow from operating activities before changes in working capital** | **(5,597)** | **(3,948)** | **(9,269)** |
| | | | |
| (Increase) in trade and other receivables | (1,014) | (422) | (482) |
| Increase / (decrease) in trade and other payables | (728) | 486 | 1,251 |
| Increase in inventories | (340) | - | - |
| **Cash outflow from operating activities** | **(7,679)** | **(3,884)** | **(8,500)** |
| | | | |
| **Net cash outflow from operating activities** | **(7,679)** | **(3,884)** | **(8,500)** |
| | | | |
| **Investing activities** | | | |
| Finance income | 60 | 40 | 93 |
| Payments in respect of property, plant and equipment | (30) | (311) | (400) |
| Farm-in proceeds | 10,000 | - | - |
| Payments in respect of exploration and evaluation assets | (3,553) | (5,052) | (14,246) |
| Payments made to increase holding in equity-accounted investments | (1,027) | - | - |
| Funding provided to equity-accounted investments | (78) | - | (70) |
| **Net cash inflow from / (used in) investing activities** | **5,372** | **(5,323)** | **(14,623)** |
| | | | |
| **Financing activities** | | | |
| Issue of ordinary share capital net of fees | - | - | 17,754 |
| Payment of lease liabilities | (75) | (209) | (432) |
| Finance expense on lease | (59) | (8) | (43) |
| **Net cash (outflow) / inflow from financing activities** | **(134)** | **(217)** | **17,279** |
| | | | |
| **Net (decrease) / increase in cash and cash equivalents in the period** | **(2,441)** | **(9,424)** | **(5,844)** |

| | | | |
|---|---|---|---|
| equivalents in the period | | | |
| **Cash and cash equivalents at start of the period** | **6,016** | **12,052** | **12,052** |
| Effect of foreign exchange rate changes on cash and cash equivalent | (17) | 97 | (192) |
| **Cash and cash equivalents at end of the period** | **3,558** | **2,725** | **6,016** |

**Chariot Limited**

**Notes to the interim financial statements for the six months ended 30 June 2024**

## 1. Accounting policies

***Basis of preparation***

The interim financial statements have been prepared in accordance with UK adopted International Accounting Standards.

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2023. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

There has been no impact on the Group of any new standards, amendments or interpretations that have become effective in the period. The Group has not early adopted any new standards, amendments or interpretations.

At 30 June 2024 the group had cash balance of US 3.6 million and on 13 August 2024 the Group announced that, following shareholder approval, it had raised US 9 million through the successful Placing of, and Subscription for 106,704,899 New Ordinary Shares.

On the Group's Transitional Power business, multiple expressions of interest have been received from South African focused investors to finance the business, and negotiation are progressing well with the potential to provide near-term financing for the Power business.

The Green Hydrogen and Water businesses are progressing financing options ahead of making any significant capital commitments.

On the Group's Offshore Anchois development, Final Investment Decision ("FID") and associated cashflows is subject to the results of the recent drilling and post-well analysis, in collaboration with our joint venture partners.

Whilst the Directors are confident of progressing the different business streams, managing costs and concluding the related subsidiary financings in a timely manner, these outcomes are not solely at the discretion of the Group and therefore there exists a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, and its ability to realise its assets and discharge its liabilities in the normal course of business.

The Directors have made a judgement that the necessary funds to adequately support the Group's current and future obligations will be secured. Accordingly, the Directors have adopted the going concern basis in preparing the interim financial statements.

*Investments accounted for using the equity method*

In the consolidated statement of financial position, investments accounted for using the equity method have been separately presented as at 30 June 2024 to reflect the increased significance of the asset to the group. This item was previously included within trade and other receivables due to its insignificance. The comparative figures as at 30 June 2023 and 31 December 2023 for the carrying value of investments accounted for using the equity method have also been represented in the consolidated statement of financial position, with a corresponding decrease in trade and other receivables of US nil as at 30 June 2023 and US 58,000 as at 31 December 2023. In the consolidated cash flow statement the associated result from equity accounted investments and the investing activity cashflows have been separately presented, including a representation of the comparative balances between operating activities and investing activities. See note 6 for further details.

*ENEO Water PTE Limited*

The comparative figures for 30 June 2023 have been restated to reflect the accounting treatment of the asset purchase agreement for the assets purchased from ENEO Water PTE Limited in the audited financial statements to 31 December 2023, treating the transaction as a share-based payment arrangement rather than a business combination.

In the consolidated statement of comprehensive income the restatement increased the share based payments charge by US 0.4m and decreased administrative expenses for the period by US 0.2m, resulting in a net increase in loss for the period of US 0.2m. In the consolidated statement of financial position, the share-based payment reserve decreased by US 0.1m, the shares to be issued reserve decreased by US 0.1m, and goodwill decreased by US 0.4m. There is no change to the total net movements in cash flows or loss per share for those periods

## 2. Financial reporting period

The interim financial information for the period 1 January 2024 to 30 June 2024 is unaudited. The financial statements also incorporate the unaudited figures for the interim period 1 January 2023 to 30 June 2024 and the audited figures for the year ended 31 December 2023.

The financial information contained in this interim report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008.

The figures for the year ended 31 December 2023 are not the Group's full statutory accounts for that year. The auditor's report on those accounts was unqualified and did not contain a statement under section 263 (3) of the Companies (Guernsey) Law 2008.

**3. Revenue**

| | **Six months ended 30 June 2024** | **Six months ended 30 June 2023** | **Year ended 31 December 2023** |
|---|---|---|---|
| | **US 000** | **US 000** | **US 000** |
| | | | |
| Supply of desalinated water | **80** | **-** | **80** |
| | | | |

The group's revenue is derived from one fixed price contract held by its Mauritian subsidiary Oasis Water Limited to provide desalinated water in Djibouti. Commercial operations started in July 2023.

**4. Loss per share**

The calculation of the basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

| | **Six months ended 30 June 2024** | **Six months ended 30 June 2023 (restated - note 1)** | **Year ended 31 December 2023** |
|---|---|---|---|
| | | | |
| Loss for the period US 000 | (8,221) | (7,912) | (15,578) |
| Weighted average number of shares | 1,073,868,099 | 962,067,995 | 1,007,791,040 |
| **Loss per share, basic and diluted*** | **US (0.01)** | **US (0.01)** | **US (0.02)** |

*Inclusion of the potential ordinary shares would result in a decrease in the loss per share and, as such, is considered to be anti-dilutive. Consequently a separate diluted loss per share has not been presented.

**5. Exploration and evaluation assets**

| | **30 June 2024** | **30 June 2023** | **31 December 2023** |
|---|---|---|---|
| | **US 000** | **US 000** | **US 000** |
| **Balance brought forward** | **62,956** | **51,795** | **51,795** |
| Farm-in proceeds | (10,000) | - | - |
| Additions | 7,122 | 5,855 | 11,161 |
| **Net book value** | **60,078** | **57,650** | **62,956** |

The Group has two cost pools being the Offshore Moroccan geographical area and the Onshore Moroccan geographical area. As at 30 June 2024 the net book value of the Offshore Moroccan geographical area US 51.9 million (31 December 2023: US 61.8 million, 30 June 2023: US 57.6 million), and the Onshore Moroccan geographical area US 8.2 million (31 December 2023: US 1.2 million, 30 June 2023: US NIL).

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

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

The Group received US 10 million on completion of the transaction and, could receive further elements of consideration dependant on Anchois Final Investment Decision and Energean's right to acquire a further 10% interest in the Lixus licence.

**6. Investments accounted for using the equity method**

On 1 January 2024 the Group completed the transaction to increase its holding in Etana Energy (Pty) Limited from 24.99% to 49%. Etana Energy (Pty) Limited, which is a separate structured vehicle incorporated and operating in South Africa. The primary activity of Etana Energy (Pty) Limited is to hold an electricity trading licence. The contractual arrangement provides the group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting with Etana Energy (Pty) Limited.

Future success based contingent payments are payable of net (undiscounted) c.US 1.6 million on financial close of a 250MW generation project and a further consideration of net (undiscounted) c.US 2.6 million payable in 2028, subject to further significant generation projects reaching financial close. Management anticipates these deferred payments to be met by financing at the subsidiary level.

| | 30 June 2024 | 30 June 2023 | 31 December 2023 |
|---|---|---|---|
| | US 000 | US 000 | US 000 |
| **Balance brought forward** | **58** | **5** | **5** |
| Shareholder loan to Etana in the period | 78 | - | 70 |
| Payments made to increase holding | 1,027 | - | - |
| Group's share of comprehensive loss for the period (included in administrative expenses) | (109) | (5) | (17) |
| Contingent consideration (as calculated and discounted at 1 January 2024 completion date) | 796 | - | - |
| **Balance carried forward** | **1,850** | **-** | **58** |

As at 30 June 2024, contingent consideration (as discounted to the reporting date) is calculated as US 872,000.

## 7. Cash and cash equivalents

As at 30 June 2024 the cash balance of US 3.6 million (31 December 2023: US 6.0 million) contains the following cash deposits that are secured against bank guarantees given in respect of exploration work to be carried out:

| | 30 June 2024 | 30 June 2023 | 31 December 2023 |
|---|---|---|---|
| | US 000 | US 000 | US 000 |
| Moroccan licences | 675 | 750 | 1,050 |
| | **675** | **750** | **1,050** |

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

## 8. Share capital

| | Allotted, called up and fully paid | | | | | |
|---|---|---|---|---|---|---|
| | At 30 June 2024 | At 30 June 2024 | At 30 June 2023 | At 30 June 2023 | At 31 December 2023 | At 31 December 2023 |
| | Number | US 000 | Number | US 000 | Number | US 000 |
| Ordinary shares of 1p each | 1,074,179,156 | 15,725 | 963,694,463 | 14,311 | 1,073,269,384 | 15,714 |

Details of the Ordinary shares issued during the six month period to 30 June 2024 are given in the table below:

| Date | Description | Price per share US | No of shares |
|---|---|---|---|
| **1 January 2024** | **Opening Balance** | | 1,073,269,384 |
| 23 January 2024 | Issue of share award | 0.25 | 100,000 |
| 23 January 2024 | Issue of share award | 0.22 | 24,783 |
| 23 January 2024 | Issue of share award | 0.12 | 41,494 |
| 11 March 2024 | Issue of share award | 0.22 | 743,495 |
| **30 June 2024** | **Closing balance** | | **1,074,179,156** |

The ordinary shares have a nominal value of 1p. The share capital has been translated at the historic rate at the date of issue, or, in the case of the LTIP, the date of grant.

On 27 January 2023 Chariot Limited entered into a sales agreement for the acquisition of the business and loan receivable assets of an independent water producer, ENEO Water PTE Limited, an African company focused on delivering clean water solutions using renewable energy. The agreement includes contingent payments linked to the achievement of financial close on pipeline projects payable in Chariot Ordinary shares. As at 30 June 2024 remaining contingent payments representing a maximum of 1,824,595 new ordinary shares are potentially payable to ENEO Water Pte Limited.

Under the terms of the June 2021 Africa Energy Management Platform share purchase agreements, target conditions attached to the issuance of remaining contingent payments have lapsed. As at 30 June 2024 there are no new ordinary shares potentially payable.

## 9. Other components of equity

The details of other components of equity are as follows:

| | Contributed equity US 000 | Shares to be issued reserve US 000 | Foreign exchange reserve US 000 | Total US 000 |
|---|---|---|---|---|
| **As at 1 January 2024** | **796** | **-** | **(17)** | **779** |
| Loss for the period | - | - | - | - |
| Other comprehensive income | - | - | 2 | 2 |
| Loss and total comprehensive loss for the period | - | - | 2 | 2 |
| **As at 30 June 2024** | **796** | **-** | **(15)** | **781** |

| | Contributed equity | Shares to be issued reserve (restated - note 1) | Foreign exchange reserve | Total |
|---|---|---|---|---|
| | **US 000** | **US 000** | **US 000** | **US 000** |
| **As at 1 January 2023** | **796** | **142** | **(3)** | **935** |
| Loss for the period | - | - | - | - |
| Other comprehensive income | - | - | 13 | 13 |
| Loss and total comprehensive loss for the period | - | - | 13 | 13 |
| Transfer of reserves due to lapsed share based deferred consideration | - | (142) | - | (142) |
| **As at 30 June 2023** | **796** | **-** | **10** | **806** |

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

## 10. Events after the balance sheet date

*Placing, subscription and open offer*

On 13 August 2024 the Company announced the approval by shareholders at a General Meeting of an equity fundraising which comprised an oversubscribed Placing and Subscription and an oversubscribed Open Offer. The Company raised a gross total of US 9 million (£7 million) through the issue of 106,704,899 New Ordinary Shares.

The net proceeds from the fundraising will be used to strengthen the balance sheet to continue to progress and deliver value from Chariot's portfolio of projects, secure a material new venture opportunity with multi-billion barrel potential and progress onshore gas commercialisation plans in Morocco to build a gas to industry supply.

*Anchois-3 Drilling Campaign Offshore Morocco*

On 20 August 2024 the Company announced the commencement of drilling operations at the multi-objective Anchois-3 well (previously named Anchois East well) at the Anchois gas project in the Lixus Offshore licence, offshore Morocco.

On 11 September 2024 the Company gave an update on operations ongoing and announced the results of the initial Pilot Hole exploration objective to evaluate the upside exploration potential of reservoirs in the Anchois Footwall prospect, which were found but are interpreted to be water bearing. The hole was plugged and abandoned prior to sidetracking and drilling the Main Hole.

On 16 September 2024 the Company announced the conclusion of the Anchois-3 Drilling Campaign and preliminary results. In the Main Hole, preliminary interpretation indicates multiple good quality gas bearing reservoirs were found in the B sand appraisal interval as anticipated, but the associated gas pays are interpreted to be lower than the pre-drill geological model.  Other target reservoirs beneath the B sands were also encountered but were water wet. The appraisal target reservoirs of the C and M sand were drilled deeper than the gas bearing sands in the Anchois-2 well and into the water-leg at this down-dip location. The Anchois North Flank exploration prospect was found to have well-developed O sand reservoirs, with associated gas shows, but also water wet.  The Main Hole has been plugged and abandoned, without flow testing.

Further detailed work by the partnership will be done to define the next steps for the project.



END

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