



American Patriot Oil and Gas Limited  
**ANNUAL GENERAL MEETING PRESENTATION**

**November 2015**



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# Agenda

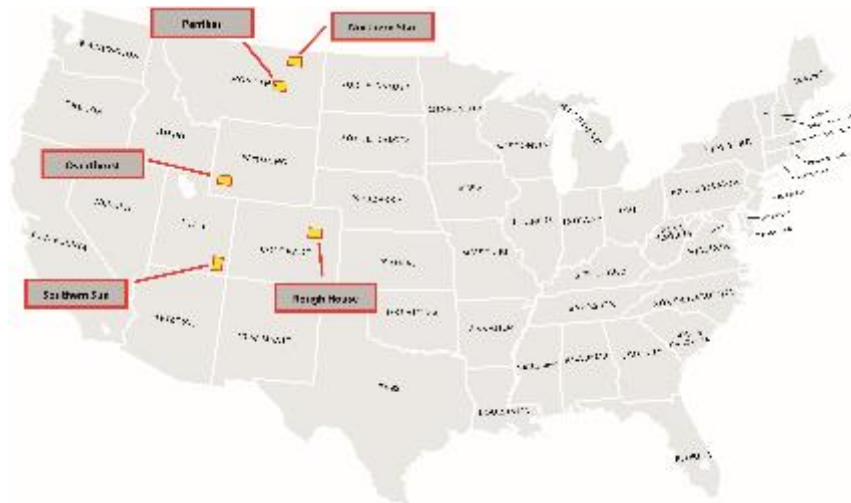
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- Chairman's Address
- AGM Resolutions
- Managing Director/CEO's Address
  - Key Highlights
  - Projects
  - Forward Plans for 2016
  - Questions

# Company Snapshot

40,000 net acres onshore USA/ with high retained working interest, Rocky Mountain basins across 5 key projects:

- Northern Star**   ▪ 12,602 net mineral acres in Montana. JV with Great Western Oil & Gas & Anadarko Minerals
- Panther**       ▪ 10,293 net mineral acres in Montana
- Rough House**   ▪ 11,291 net mineral acres in Colorado
- Southern Sun**   ▪ 3,474 net mineral acres in Utah
- Overthrust**     ▪ 640 net mineral acres in Wyoming



**All acreage early entry/low cost tight oil plays in old carbonate fields**

## Corporate Snapshot

Exchange	ASX
Share Code	AOW
Ordinary shares on issue	144,216,290
Loyalty Options	72,108,145 options (ex \$0.25/ Expiry Oct 2016)
Share Price	\$0.14 (25/11/15)
Market Cap	\$20.2m
Listing date	9 July 2014

## Shareholder Structure

Substantial Shareholders	%
Fand Pty Ltd	10.4%
Queensland Investment No4 Pty Ltd	5.8%
Top 20 ownership	66%

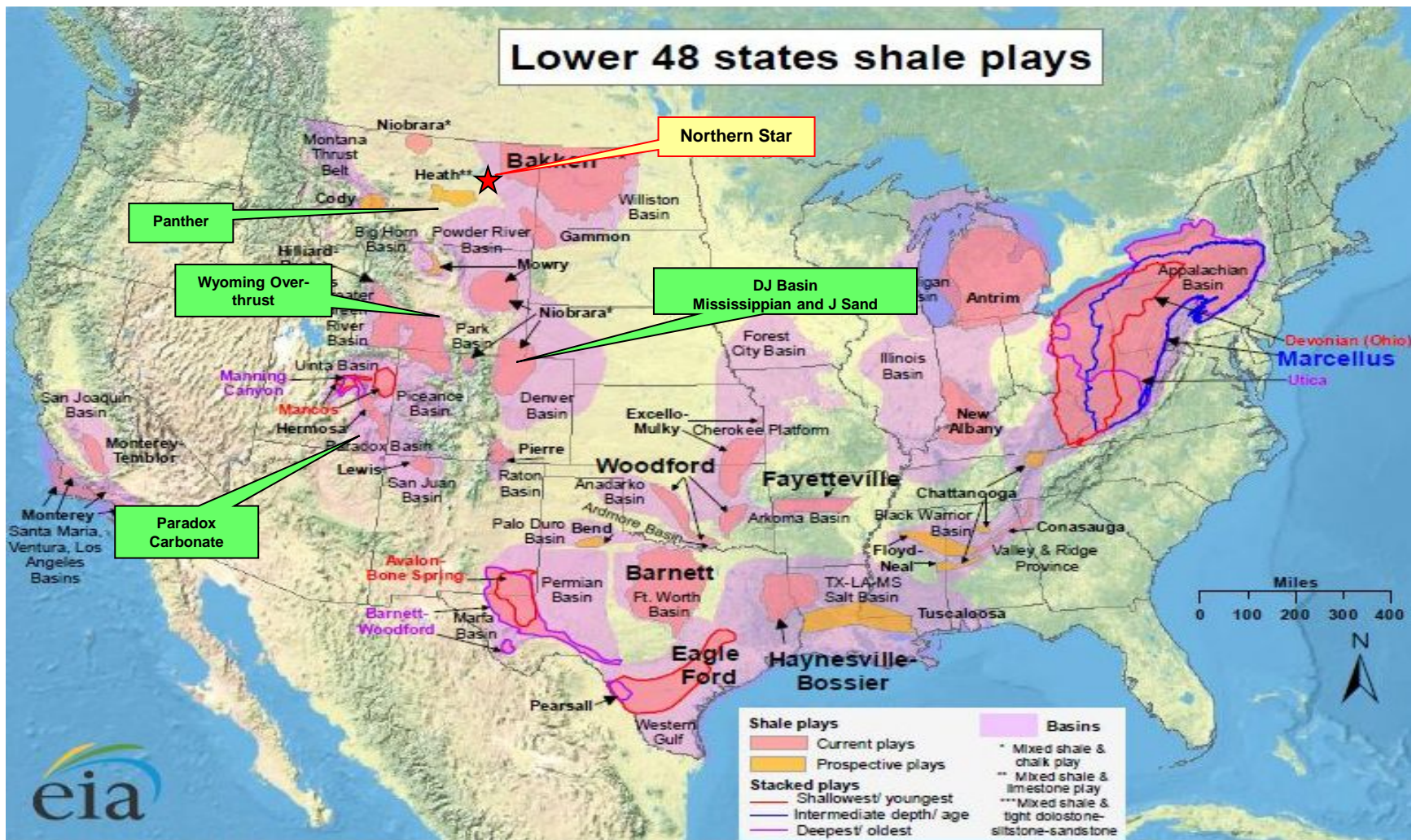
# American Patriot – Key achievements 2015

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- Approach received Sept 2015 for company assets for USD\$20m/AUD\$28m from US Private Oil company – Edward Mike Davis, LLC
- Testing of a number of zones in the first horizontal well completed/ petrophysical analysis indicates potential oil resource – further testing planned
- Planning and selection of second horizontal well location underway –drilling Q1 2016 – AOW carried
- Launched Share Purchase Plan to fund additional acreage acquisition
- Acquired an additional 46,000 gross acres post listing in Montana and DJ Basin Colorado – valuable company asset
- AOW business model robust in challenging oil climate
- Active JV discussions on other key projects

**Executed on JV business model, approach confirms company strategy**

# High Value projects – Rocky Mountain basins

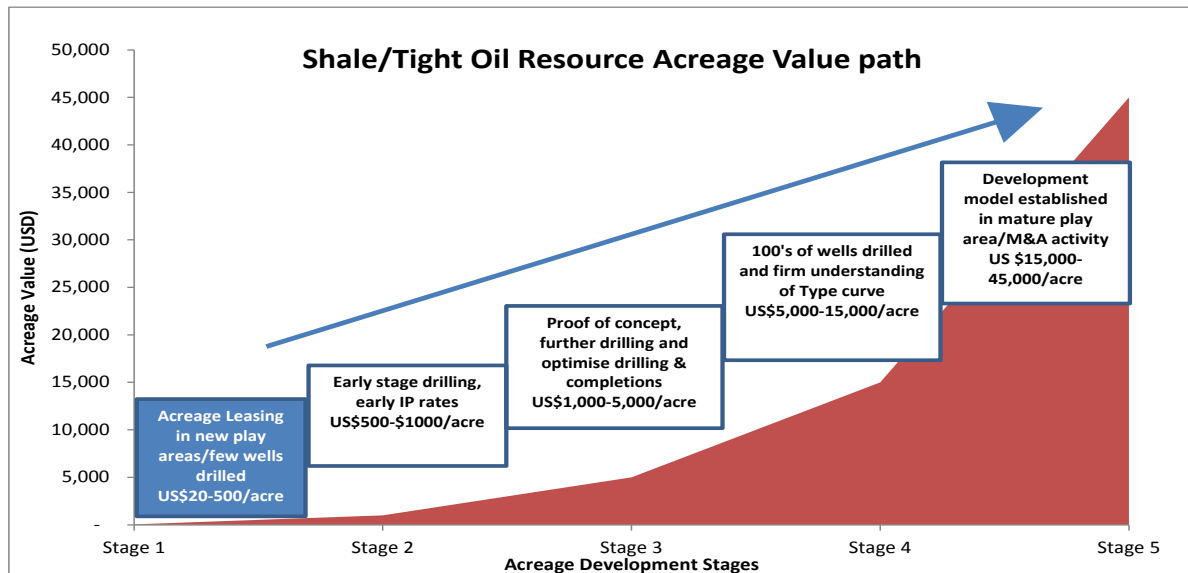


Early entry old oil fields > Prove Concept > Sell Project at Multiple

# Acreage value – Well established value path

- Well established value realization path in the US for shale/tight oil resource plays
- Early movers capture large land positions at cheap entry with significant upside when de-risked
- **Revolution driven by small/mid cap E&P companies in the US – Majors arrived later**
- Aurora acquired in Feb 2014 for over \$100,000/acre, producing acreage in North Dakota over \$35,000/acre
- AOW entry point \$20-200/acre – significant upside potential

Revolution  
driven by  
small/mid  
caps



**Early entry is the key to securing a material acreage position**

# Large and growing acreage – on shore USA

- Early entry in underexplored, prospective acreage in Rocky Mountains basins
- All in proven hydrocarbon basins in proximity to proven oil fields held at high retained interest
- Delivering shareholder value through quality exploration geology and low cost leasing
- Northern Star project most advanced: Two JV's completed and two successful wells drilled
- 5 projects at various stages of completion

Project	Location	WI	NRI	Date Acquired	Term	Acres (net)	Operator
Northern Star	Montana	16-30%	~13-24%	2012/13	5 years*	12,602	Great Western/Anadarko
Panther Project	Montana	100%	~80%	2012	5 years	10,293	American Patriot
Southern Sun	Utah	100%	~80%	2012/13	5 years	3,474	American Patriot
Overthrust	Wyoming	100%	~80%	2013	5 years	640	American Patriot
Rough House	Colorado	80%-100%	~75%	2014	5 years	11,291	American Patriot
Total						38,300	

**Early entry in low cost acreage in conventional/tight oil plays in proven oil fields**  
**Near term drilling projects robust at low oil prices**



# Projects (5)

<ul style="list-style-type: none"><li>▪ <b>Northern Star</b><ul style="list-style-type: none"><li>– Farmed out and drilling</li></ul></li></ul>	Mississippian/Devonian source rocks and reservoir targets	Proof of concept
<ul style="list-style-type: none"><li>▪ <b>Panther</b><ul style="list-style-type: none"><li>– Leasing large acreage blocks</li><li>– Have a number of interested JV partners</li></ul></li></ul>		Marketing JV
<ul style="list-style-type: none"><li>▪ <b>Paradox Ismay</b><ul style="list-style-type: none"><li>– Leasing with partner</li></ul></li></ul>	Cretaceous source rocks and reservoir targets	Leasing
<ul style="list-style-type: none"><li>▪ <b>DJ Basin</b><ul style="list-style-type: none"><li>– 3D Seismic survey being negotiated</li></ul></li></ul>		Marketing JV
<ul style="list-style-type: none"><li>▪ <b>Wyoming Over-thrust</b><ul style="list-style-type: none"><li>– Data acquisition and leasing</li></ul></li></ul>		Leasing

Leasing

JV/Farm Out

Proof of Concept

Development

# Investment highlights – American Patriot Oil and Gas

## Early Mover/Proven Oil Fields

Early entrant into old Exxon producing Oil field - significant tight oil resource potential and infrastructure.

## Low Entry Price/Significant Acreage

Large and growing acreage 40,000 net acres on shore USA – Rocky Mountain basins at low entry price avg = \$100/acre

## JV Business Model

- JV: cash up front and 4 well carry deal - Preserves capital
- Proven success US resource plays built by small/mid caps
- First well , excellent oil shows testing commenced
- Second well – Q1 2016 plus 2 well option

## JV Established – US Partner

Treasure Exploration (Operator) US Partner – Management ex Samson resources sold company for US\$7bn to KKR. Produce 2,200bopd, 250 operating wells and \$1bn capex

## Monetize Asset

- De-risk play drill 8-9 wells to demonstrate value – Monetize acreage in 12-18mths for potential US\$10,000+ an acre over 10x market cap sell to US Mid cap/Private Equity
- Approach received Sept 2015 for USD\$20m/AUD\$28m from US Private Oil company – Edward Mike Davis, LLC

## Track Record of Success

Founder's second oil company following takeover of Ambassador Oil and Gas (AQO) for double market cap to Drill Search (DLS) in 2014.

# Northern Star – A company making project

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- Partnered with Treasure Exploration (Operator) and Anadarko Minerals
- Gross lease position: 61,000 acres/AOW 12,600 net acres
- 25% average working interest
- AOW free carried on 2 horizontal exploration wells (no cost caps) plus back-in right on 2 well option
- Located in a proven oil producing basin – Lustre Oil Field produced over 7.5mmbbl oil from Ratcliffe and Mission Canyon zones.
- 3D seismic survey over the Lustre and Midfork oil field
- Lower permeability rocks around and up-dip of the old field sweet spot suggests that horizontal drilling and modern completion techniques can be utilized to target significant resource potential.

**Significant resource potential**

# Northern Star – A company making project (cont'd)

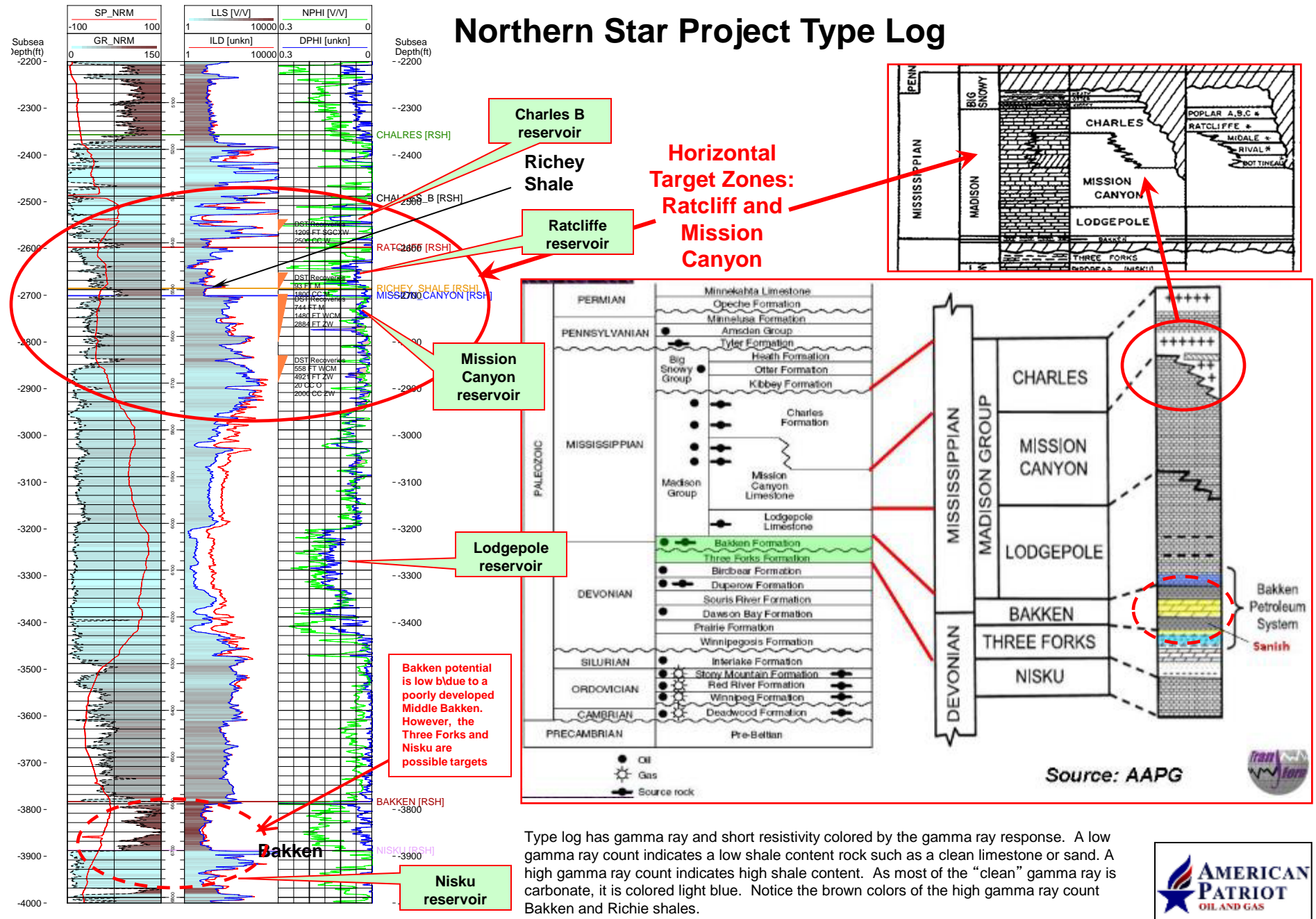
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- Drilled two wells
  - Vertical Nisku test found oil in Mission Canyon –drilled for geology
    - On pump at approx 50bopd /Additional prospective zones
    - Second well planned 2016 – oil price dependent
    - Numerous vertical prospects have been identified on 3D
  - Horizontal test in Ratcliffe zone of Charles fm.
    - Drilled to TD very quickly (under budget)
    - Excellent oil shows were encountered in well.
    - Testing of a number of zones in the first horizontal well completed
    - Petrophysical analysis indicates potential oil resource – further testing planned
    - Planning for second horizontal underway for Q1 2016 – AOW carried
- Carbonate play not shale so drilling costs cheaper
- Expected IP: 250-500 BOPD
- Horizontal drilling could prove up hundreds of millions of barrels and provide AOW stock holders with a significant uplift in value.

**First carried horizontal well testing Q4 2015 with second in Q1 2016**

# Patriot Oil & Gas

## Northern Star Project Type Log



Type log has gamma ray and short resistivity colored by the gamma ray response. A low gamma ray count indicates a low shale content rock such as a clean limestone or sand. A high gamma ray count indicates high shale content. As most of the "clean" gamma ray is carbonate, it is colored light blue. Notice the brown colors of the high gamma ray count Bakken and Richie shales.

# Recent Deals – Oil & Gas M&A picking up

- M&A activity stepping up in Oil sector – eg Woodside bid for Oil search, Beach/Drill Search
- Onshore US acreage still attracting strong prices
- Tight oil acreage outside Bakken/Eagle Ford has attracted significant prices.
- Aurora acquired for over \$100,000/acre, Permian deals \$39,000/acre, producing acreage in North Dakota over \$34,000/acre.

## *Tight Oil/Shale Plays – key transactions*

Transaction	Acres	Play	Price	Price (US\$/acre)	Date
Antares Energy sells projects to Private Equity	21,000	Permian	\$250m	\$11,905	Sep-15
Ajax Resources/Kelso acquire W&T Offshore acreage	25,800	Permian	\$376m	\$14,574	Sep-15
Whiting and Kodiak merger	173,000	Bakken	\$6.0bn	\$34,682	Jul-14
American Energy Partners (AEP) acquires assets from Enduring Resources	63,000	Permian	\$2.5bn	\$39,683	Jun-14
AEP acquires assets in West Virginia/Ohio from East Resources/Undisclosed	75,000	Marcellus & Utica Shale	\$1.75bn	\$23,333	Jun-14
Encana acquires Eagle Ford assets from Freeport	45,500	Eagle Ford	\$3.1bn	\$68,132	May-14
Baytex Energy acquires Aurora Oil and Gas	22,200	Eagle Ford	\$2.59bn	\$116,667	Feb-14

Source: PLS Database, Company announcements

**Significant upside potential to AOW at these acreage prices**

# Northern Star potential value

## Acreage Valuation\*

- Project has 61,000 gross acres (12,602 net AOW) with JV looking to potentially build position to 75,000-100,000 acres.
- De-risk asset in 12-18 months and monetise significant upside in acreage value.
- \$15,000 per acre implies value of \$189m net to AOW/550% ROI

### *Northern Star valuation potential\* - compelling*

Gross Acres	Net AOW Acres	Potential Value per acre*	Gross Value (US\$m)	Net AOW Value (US\$m)	Value per share
61,489	12,602	\$15,000	\$922.3	\$189.0	\$1.31
75,000	16,125	\$15,000	\$1,125.0	\$241.8	\$1.70
100,000	21,500	\$15,000	\$1,500.0	\$322.5	\$2.24

\*Indicative valuation only not current acreage price in Northern Star project.  
Calculation based on 144m shares on issue

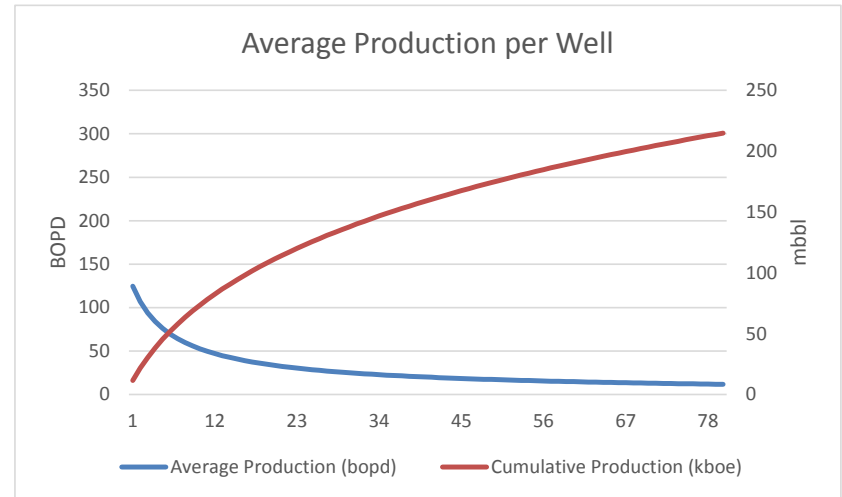
**Significant upside potential to AOW from this acreage – over 10x share price**

# Economics – attractive at low oil prices

## Vertical Economics

Assumptions	
Well Cost	\$1.5-2m
EUR	215mmbbl
Opex	\$20/bbl
Royalty	18%

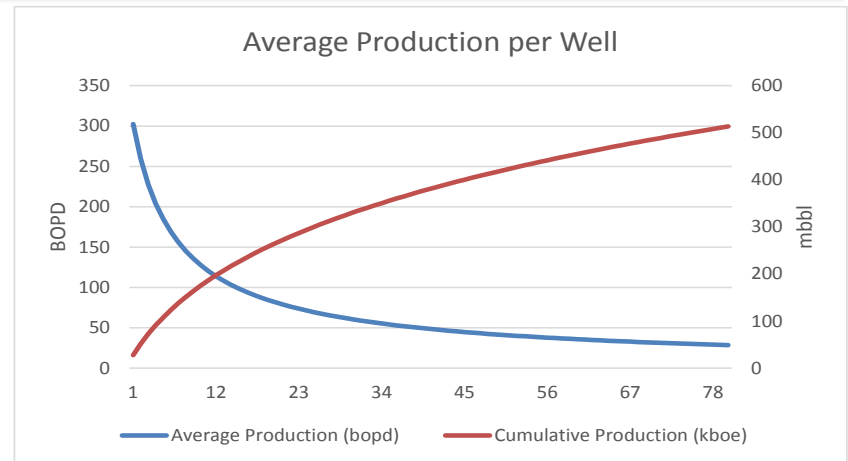
Oil Price	\$30	\$50	\$70
NPV (Gross)	\$0	\$0.3m	\$3m
NPV (Net AOW)	\$0	\$0.1m	\$0.5m



## Horizontal Economics

Assumptions	
Well Cost	\$4.5-5.5m
EUR	500mmbbl
Opex	\$20/bbl
Royalty	18%

Oil Price	\$30	\$50	\$70
NPV (Gross)	\$0	\$1.4m	\$7.2m
NPV (Net AOW)	\$0	\$0.3m	\$1.5m



**Vertical and horizontal wells economical at low oil prices**



# Other Projects

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- Panther, Montana
  - 10,293 net acres in 3 prospect areas in Garfield county Montana
  - Conventional project with significant resource potential of 300 million barrels/cheap drilling
  - Includes low-risk shallow prospect up-dip from production/10 million barrel resource potential
  - In negotiations with numerous interested JV partners including major oil company
  
- Rough House Project DJ Basin, Colorado
  - 30,000 gross, 13,456 net acres
  - Conventional oil play focussed on stacked pays with multiple carbonate reservoir targets
  - Close proximity to recent oil producing discoveries/quick paybacks & nearby active leasing
  - Nighthawk Energy, Cascade and Wiepking Fullerton
  - Actively seeking JV partners to monetize project
  
- Paradox Basin, Utah
  - 3,474 net acres around old Ismay reservoir fields
  - Have nominated 10,000 additional acres for up-coming BLM lease sale.
  - Looking to JV
  
- Wyoming Overthrust
  - Have highly prospective acres
  - Nominated 20,000 acres for up-coming BLM lease sale

# Catalysts – active next 6-12 months

Catalyst	Indicative Timing
First horizontal well with Great Western on Northern Star project - testing	Q4 2015/Q1 2016
Second horizontal well with Treasure Exploration on Northern Star project	Q1 2016
Rough House/Panther project farm down	Q4 2015
Further acreage acquisition – all projects	2015

*The timing is subject to regulatory approvals , equipment and services availability and weather conditions.*

# Board and management team

## Alexis Clark

### Chief Executive Officer and Managing Director

- Previously Oil & Gas Analyst at Patersons Securities also Energy Analyst at Merrill Lynch.
- Over 10 years experience in Institutional banking and finance for Energy & Resources companies.
- Chartered Financial Analyst, Chartered Accountant Bachelor of Economics & Commerce at the University of Adelaide.

## Kleo Hatziladas

### Business Development Manager

- Company Founder and major Shareholder
- Founder Ambassador Oil and Gas (AQO.ASX) currently subject to bidding war by Drill Search (DLS.ASX) and Magnum Hunter (NYSE.MHR)
- Track record of executing and delivering farm out transactions with New Standard Energy & Magnum Hunter and Treasure Exploration
- Extensive networks and connections in US oil and gas industry

## Robert Hoar

### Chief Geologist

- Exploration geoscientist with 30 years of oil and gas industry experience including many US basins.
- Worked for a number of well-known companies including Amoco, Oryx, and Ker McGee.
- BA in geology from Hamilton College and a MSc in Geology from the University of Vermont.

## David Shaw

### Non Executive Chairman

- Practising solicitor with his own firm Campbell & Shaw Lawyers.
- Chairman of Ambassador Oil & Gas Ltd and Director on a number of private company boards and advisory boards.
- Previous Essendon club President from 1992 to 2002 and former Commissioner of the AFL.

## Frank Pirera

### Non Executive Director & Chief Financial Officer

- More than 30 years experience in public practice.
- Graduate of Monash University -Bachelor of Business (Accounting) and is a fellow of the Certified Practising Accountants (CPA).
- Experience in financial control and management and strategic planning advising public and private companies.

# Contact information

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