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ASX Announcement

AMERICAN PATRIOT SHAREHOLDER PURCHASE PLAN PLACEMENT FULLY SUBSCRIBED

Highlights

- **SPP shortfall placement closes fully subscribed, with a total of \$6.05m raised**
- **Significant achievement in challenging oil market environment**
- **Unsolicited takeover bid received from Running Foxes Petroleum**
- **Bid is \$0.22 per share for all the shares in AOW, valuing the company at \$35m at the time of the bid**

The Directors of American Patriot Oil and Gas Limited (**AOW** or the **Company**) are pleased to announce that they have successfully closed the placement of the shortfall of the Share Purchase Plan to sophisticated and professional investors (**SPP Shortfall Placement**). Total funds commitments received from investors exceeded the placement limit. The total raised under the SPP Shortfall Placement and the SPP was \$6,054,076.56, resulting in the issue of 43,243,404 shares at \$0.14 cents per share. Free attaching options of 21,621,725 were also issued exercisable at \$0.25 on or before the 20th of October 2018.

Capital Investment Partners Pty Ltd completed the placement as Lead Manager to the SPP Shortfall Placement.

AOW CEO, Alexis Clark, commented: *“To receive such overwhelming support from both existing shareholders and new investors for the SPP is a significant endorsement of the AOW strategy. To achieve this result in the current oil market is a remarkable achievement and we thank our shareholders, new investors and Gavin Argyle and the team from Capital Investment Partners for their significant support of the SPP.*

“The funds raised will be used to fund the acquisition of low-cost, high potential acreage in the key Northern Star project and to strategically expand the rest of the AOW portfolio. We believe this acreage will have the potential to sell for a multiple of our low entry price.

“We recently received an unsolicited takeover bid to acquire 100% of the share capital in American Patriot Oil and Gas from Running Foxes Petroleum Inc. (RFP). To receive an offer from Running Foxes for the entire Company in an oil market that is both challenging and volatile is a testament to the quality of the assets and the business model we have created.

“The takeover bid is a cash offer of \$0.22 per share for all the shares in AOW, valuing the company at \$35 million at the time of the bid. The bid is subject to RFP holding a relevant interest of over 90% of shares in AOW and the successful completion of a due diligence process by RFP.



“The board of AOW is still considering the takeover offer and will provide further advice in the near future. In the meantime, shareholders are advised to take no action in relation to the offer. We will be approaching major shareholders to determine their interest in the offer. AOW is being advised by Capital Investment Partners (CIP) in relation to the takeover bid. American Patriot’s focus remains on maximising value for our shareholders.”

“We continue to deliver on American Patriot’s JV business model, which is proving to be robust even during volatile oil markets. This offer follows on the approach from another significant private U.S. oil company for the entire assets of American Patriot in late 2015.”

Details of the SPP and SPP Shortfall Placement

The SPP offered eligible shareholders the opportunity to invest up to \$15,000 in fully paid ordinary shares in AOW at \$0.14 per share (**SPP Shares**). Eligible shareholders that participated in the SPP and SPP Shortfall Placement were entitled to one free attaching option for every two SPP Shares subscribed for (**Attaching Options**). The Attaching Options are exercisable at \$0.25 on or before the 20th of October 2018.

The total number of securities available to eligible shareholders under the SPP offer was 43,264,887 SPP Shares and 21,632,443 Attaching Options. Under the Share Purchase Plan AOW raised gross proceeds of \$409,002.02, consisting of total applications for 2,921,443 SPP Shares and 1,460,737 Attaching Options. This resulted in a shortfall of 40,343,444 SPP Shares and 20,171,706 Attaching Options (**Shortfall Securities**). As per the ASX announcement on the 10th of November 2015, the Shortfall Securities were offered to sophisticated and professional investors in a separate placement (**SPP Shortfall Placement**) to raise a further \$5,648,082.16. Capital Investment Partners Pty Ltd was appointed to the role of Lead Manager to the SPP Shortfall Placement on a best endeavours basis.

Settlement of the placement for tranche 1 of the SPP Shortfall Placement of 13,883,006 SPP Shares and 6,941,508 Attaching Options occurred on the 22nd of January 2016, raising a total of \$1,943,620.84. The Company issued the Shortfall Securities for Tranche 1 on the 22nd of January 2016, with holding statements dispatched to shareholders on the same day.

Settlement of the placement for tranche 2 of the SPP Shortfall Placement of 26,438,955 SPP Shares and 13,219,480 Attaching Options occurred on 26th of February 2016, raising a total of \$3,701,453.70. The Company issued the Shortfall Securities for Tranche 2 on the 26th of February 2016, with holding statements dispatched to shareholders on the same day.

If you have any queries about the SPP, please contact the Company’s Share Registry, Link Market Services, on 1300 554 474.



For further information please contact:

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About American Patriot Oil and Gas

American Patriot Oil and Gas (AOW) is an oil and natural gas exploration and development (E&P) group headquartered in Melbourne, Australia, with a U.S. office in Denver, Colorado. The Company has approximately 30,914 net mineral acres under lease across 5 key projects. The projects are geographically focused on tight oil exploration and development opportunities in the Rocky Mountain Basins. Since its establishment, AOW has assembled a portfolio of prospective oil and gas exploration assets in the USA and has completed joint venture agreements on its key Northern Star asset in Montana with U.S. based partners. AOW's business model is to internally generate prospects using geological knowledge, capture significant land positions at a low cost, and then reduce or remove risk capital exposure through a farm-out of a majority interest to a qualified U.S. operator in a cash and carry deal. AOW project map:

