American Patriot Oil & Gas Limited

ABN 79 154 049 144

Annual Report - 30 June 2016

Contents

American Patriot Oil & Gas Limited
Corporate directory
30 June 2016

Directors	Mr David Shaw (Non-Executive Chairman) Mr Alexis Clark (Chief Executive Officer) Mr Frank Pirera (Director, Company Secretary, CFO)
Company secretary	Mr Frank Pirera
Registered office	Level 1, 141 Capel Street North Melbourne VIC 3051
Principal place of business	Level 1, 23 Oxford St Oakleigh VIC 3166
Share register	Link Market Services Level 1, 333 Collins Street Melbourne VIC 3000 Phone: 1300 554 474
Auditor	Mr George Georgiou Connect Audit Level 13, 636 St Kilda Road Melbourne VIC 3004
Stock exchange listing	American Patriot Oil & Gas Limited shares are listed on the Australian Securities Exchange (ASX code: AOW, AOWO, AOWOA)
Website	http://ap-oil.com/

Operations report

It has been an active 12 months for American Patriot Oil and Gas set against the backdrop of a volatile oil price.

On 29 September 2015 American Patriot Oil and Gas (AOW) received a Letter of Intent for the sale of the entire oil and gas assets of AOW for US$20m cash (AUD$28m) to a private US oil company, Edward Mike Davis, LLC. The Letter of Intent was received from the legal advisors of Edward Mike Davis, LLC and was subject to a number of terms and conditions.

We were pleased to have received this approach from a significant private US oil company for the entire assets of American Patriot at this early stage in the development program. The offer demonstrates the quality of AOW's portfolio of assets and validates the company strategy, particularly in the current challenging market environment. However the board believed the offer was opportunistic in the current oil price environment and substantially undervalues the potential value of AOW assets.

Accordingly, the board believed that it was in the best interests of shareholders of AOW to focus on the performance of the assets to realise the significant value and to continue discussions with potential bidders to extract a higher offer price for the assets.

On 23 February 2016, American Patriot Oil & Gas Limited (AOW) received an unsolicited takeover bid for all of the shares in American Patriot Oil and Gas Limited (AOW) from Running Foxes Petroleum Inc. (RFP).

The takeover bid was a cash offer of $0.22 per share for all the shares in AOW valuing the company at $35m at the time of the bid. This was subject to the following conditions, the Bidder holding a relevant interest of over 90% of shares in AOW, and due diligence by Running Foxes Petroleum. The Board of RFP was attracted to the assets of AOW, the JV partnerships established and firmly believes its offer is highly attractive to AOW shareholders in the current oil market. Since the recent farm in agreement on the Rough House project in early February 2016, RFP became increasingly attracted to the assets of AOW.

RFP is a significant private energy company backed by private equity and has operated for the last 20 years. RFP has discovered a number of significant oil fields and has a number of producing oil fields on shore USA. To receive an offer from Running Foxes for the entire company in the worst oil market of all time is testament to the quality of the assets and the business model we have created.

On 29 July 2016, the board, in consultation with a number of significant major shareholders, advised Running Foxes Petroleum Inc. (RFP) that the recent proposal to acquire all of the shares in the AOW, announced to the market on 23rd of February 2016 would not achieve minimum acceptance, and undervalues the Company given the upside potential of AOW's development projects. It also comes at a low point in the oil price cycle, with the board determining that the best way forward to maximise value is to seek to acquire additional producing oil properties with infill drilling potential whilst a number of attractive, distressed assets are on the market.

We believe this approach has the ability to deliver for AOW shareholders some significant low cost production assets with infill drilling potential and the ability to grow this production to well over 2000bopd plus at a low point in the oil price cycle and to then exit down the track as the oil price recovers at a significant multiple of this low cost entry point. For example we will be looking to acquire assets between $5,000 to $20,000 per flowing barrel of oil and then sell them at $50,000-60,000 a flowing barrel.

We have negotiated an expanded Joint Venture Agreement (JV) with Running Foxes and in conjunction a number of oil and gas funds we are focused on the acquisition of a number of attractive oil production assets which have infill drilling potential for conventional production wells in our target area of focus the mid-continent basins of the US. We believe this is the best opportunity to maximise value for shareholders and due diligence on the first assets is well advanced and we expect to provide an update to the market on the progress on this within the next few weeks.

We appreciate the patience of shareholders during the takeover proposal, however we believe our joint acquisition strategy has the potential to unlock significant value for AOW shareholders in the near term given the number of attractive, distressed properties we have sourced. As a company we have the ability to acquire a number of producing oil properties and grow a production business with well over 2000bopd plus production.

In addition to this, drilling will shortly commence on the five well conventional drilling programme at Arikaree Creek Oil (Rough House Project), with AOW free carried by RFP on the first two wells. This area has seen significant drilling success with a number of significant discoveries, and to partner with an operator with the experience of Running Foxes Petroleum (who discovered the 1400bopd Arikaree Creek oil field) bodes well for success in this drilling programme. This region has seen a number of significant successful oil discoveries producing from the same target formations including Night Hawk Energy producing around ~1,400 BOPD and Wiepking-Fullerton's successful Aloha Mula #1 well - Initial Production ~1500 BOPD. Well costs are cheap in this area and generate attractive economics at current oil prices.

We continue to operate in a volatile oil market further demonstrated by recent price retreats and some of the worst conditions in recent memory. In these difficult times the AOW share price has held up well against other comparable oil companies and this is a testament to our strategy and our tight shareholder register focused on executing this strategy. A number of oil and gas companies are trading at a fraction of what they were previously valued at with a number entering administration with significant dollars wiped off the market capitalisation. Whilst AOW has held up well our share price is not where we would like it to be and success for your company will only be measured by selling for a multiple of the IPO price and we are focused on that plan.

American Patriot's business model continues to be robust, even during these volatile oil markets. We will continue to focus on delivering on this model for our shareholders and to grow the business by looking for quality, low cost assets in proven oil fields with no drilling commitments. We will also look to maximise value and protect shareholder funds by entering into joint ventures with high quality US operators who pay for the drilling costs on our projects. Other companies with drilling commitments have had to pay significant amounts in this current market to defer these drilling commitments in order to not lose their acreage.

Since listing, we have grown the business significantly increasing our acreage position to over 100,000 gross acres adding a valuable asset to the business. Importantly there are no drilling commitments for AOW as the wells are paid for by our JV partners. We structured our JV's like this to protect our balance sheet from these financial commitments. This acreage is a significant asset for the company and comes with no drilling commitments. AOW is in the fortunate position in that it can always monetise this asset to realise the value on this acreage.

Our business plan is straightforward: we acquire assets cheaply prove them up and then look to sell it for a multiple of that price. We are working to prove up all of the assets in our portfolio and then to sell them for a multiple of the company's current market value. We will then return the capital to shareholders as a special dividend or sell the entire company and look to repeat the model with proven US operators as JV partners. This is a proven model used by other successful US oil and gas companies who have sold assets, paid a special distribution to shareholders and then repeated the process. Our JV partners are aligned with this strategy.

We thank our shareholders for their support of the recently completed Share Purchase Plan (SPP) and successfully completing the shortfall placement which was oversubscribed. The funds raised will be used to fund the acquisition of distressed producing oil properties in line with our strategy.

We are also working hard to significantly lower the Company's cost base and drive efficiencies within the business so it can continue to grow in an environment of lower oil prices. We have no debt and coupled with this cost cutting we will have the financial flexibility to take advantage of the expected oil recovery in the near term.

We thank our shareholders for the continued support of the company and we acknowledge it is difficult times in the oil and gas sector. However, this environment provides a rare opportunity to secure a number of quality producing assets at a low point in the cycle and we are determined to successfully execute on this strategy. We will then look to exit these assets down the track as the oil price recovers. That is how success will be judged for this company.

Mr Jim Angelopoulos resigned as a director of AOW in November. Jim was a founding shareholder of AOW and was instrumental in the IPO and listing of the company. The board would like to thank Jim for his dedicated service to American Patriot. At this point in time he will not be replaced.

Panther Project, 10,293 net acres, Garfield County, Montana

AOW holds 12,430 gross acres/10,293 net mineral acres on the Panther project in Garfield County, Montana. AOW is actively marketing this project to potential JV partners. Detailed analysis suggests the project has significant conventional oil resource potential with a number of identified high impact drillable targets at shallow depths. Vertical wells can be drilled cheaply and are economic at low oil prices.

Share Purchase Plan Completed

On the 29 February 2016, we 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.

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.

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.and are quoted on the ASX.

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.

Northern Star Project, - 12,000 net acres Valley County, Montana

The initial testing phase of the first unconventional, horizontal well in the Northern Star Project in Montana, USA (the "Project") has been completed. Perforation, acidisation and swabbing of 4 zones in the well has indicated that further testing including a possible frac job, will have to be implemented. The well was tested in 4 zones with various strengths of acid, completion fluid combinations and injection rates and recoveries indicate that the reservoir was tight. Accordingly, it has been determined that further evaluation of the current test results needs to be completed before further testing is initiated including a potential frac job. Early analysis of the testing is encouraging and indicates the well has significant potential and the JV will look to further test the well.

Planning is currently underway for the site selection of the second horizontal well, with drilling and testing expected by H2 2016. The lessons learnt from the first horizontal will be used in the testing process of the second well. AOW has a 21.5% working interest in these wells. AOW is carried on all costs of drilling and completing these first two horizontal test wells.

We are encouraged by the early results and the indication of a potential oil resource and whilst further testing is required, this was expected in these early test wells as the geological properties are analysed and optimal completion methods are determined. The lessons learnt from this well will be used in the next well which is currently in advanced stages of planning. Importantly, AOW is free carried with no cost caps on the first two horizontal wells.

Rough House Project, 4,508 net acres DJ Basin, Colorado

On February 3rd 2016 AOW announced a new farm out with Running Foxes Petroleum. American Patriot Oil & Gas Limited (AOW) signed a new 5 well JV agreement with Running Foxes Petroleum Inc (RFP) a private oil company based in Denver, Colorado USA. The new JV covers the entire Rough House project acreage located in the Denver Julesburg (DJ) Basin, Colorado, USA. RFP has discovered a number of major producing oil fields in the region including the landmark Arikaree creek oil field (one of the original discoveries of the Mississippian play in the DJ basin) and a number of the AOW leases lie within and adjacent to the Arikaree Creek oil field.

RFP was attracted to the acreage after AOW identified numerous prospects under its leases utilising existing 3D seismic data which AOW was able to obtain for no cost. The JV was established after technical due diligence by RFP confirmed the potential of these prospects. Subject to permitting, RFP is expected to drill the first well in Q3 2016 and the second well should follow shortly thereafter. Under the agreement, AOW has agreed to assign a 70% working interest in the Rough House Project to RFP upon completion of two commitment wells, with an option to drill three additional wells.

To partner with an operator with the experience of Running Foxes Petroleum is a significant achievement for American Patriot, particularly given the current oil market. RFP has discovered a number of significant producing oil fields in the region including the renowned Arikaree creek oil field which is currently producing and economic at today's oil prices. The participation of RFP validates our strategy and the quality and potential of the acreage at the Rough House project which AOW acquired at an early stage over the last two years. RFP has significant on ground operational and development expertise in Colorado owning its own drill rig fleet and workover units that will be the key to the commercialisation of our assets. Importantly we have established an Area of Mutual interest with RFP to jointly acquire additional acreage and future joint venture opportunities We welcome RFP as partner on the project and look forward to drilling the initial wells as we enter a new phase of monetising these assets.

American Patriot Oil & Gas Limited
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of American Patriot Oil & Gas Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The following persons were directors of American Patriot Oil & Gas Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Shaw (Non-executive Chairman)
Mr Alexis Clark (Director and Chief Executive Officer)
Mr Frank Pirera (Director, Company Secretary and Chief Financial Officer)
Mr Jim Angelopoulos (Director and Chief Operations Officer) (resigned 26 November 2015)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of oil and gas exploration.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $2,317,972 (30 June 2015: $3,721,267).

Financial Position and Performance

The net assets increased by $3,482,534 to $11,036,503 at 30 June 2016 (30 June 2015: $7,553,969). The consolidated entity's working capital position at 30 June 2016, being current assets less current liabilities, was $3,813,108 an improvement of $2,236,858 since the prior year (30 June 2015: $1,576,250).

During the year the consolidated entity has spent a net amount of $1,186,972 (30 June 2015: $3,195,321) on its petroleum exploration assets. The consolidated entity also received $47,031 (30 June 2015: $74,715) in production revenues from oil produced during the year. The amounts expended in US dollars during the year amounted to US $864,471 with revenue amounting to US $34,253.

Based on the above the Directors believe the Company is in a stable position to continue and pursue its current operations.

Refer to Operations Report preceding the Directors Report.

Significant changes in the state of affairs

On 22 December 2015 the consolidated entity completed a Share Purchase Plan (SPP) which was announced 20 October 2015. A total of 2,921,443 fully paid ordinary shares were subscribed and allotted and an issue price of $0.14 (14 cents) per share raising a total of $409,002 before costs. The SPP also offered shareholders one free attaching option for every two shares successfully subscribed for. On completion of the SPP a total of 1,460,737 free attaching options were granted to eligible shareholders.

On 22 January 2016 the consolidated entity issued 13,883,006 fully ordinary shares as part of their Share Purchase Plan (SPP) shortfall at an issue price of $0.14 (14 cents) per share raising a total of $1,943,621 along with 6,941,508 free attaching Options in accordance with the Options Prospectus lodged with the ASX on 26 October 2015.

On 26 February 2016 the consolidated entity issued a further 26,438,955 fully ordinary shares as part of the Share Purchase Plan (SPP) shortfall at an issue price of $0.14 (14 cents) per share raising a total of $3,701,454 along with 13,219,480 free attaching options in accordance with the Options Prospectus lodged with the ASX on 26 October 2015.

On 22 March 2016 the consolidated entity issued a total of 1,500,000 fully paid ordinary shares at an issue price of $0.14 (14 cents) to employees in accordance with the Company's Employee Share Scheme Incentive Plan.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

During the year our American Subsidiary American Patriot Oli and Gas Inc. and Running Foxes Petroleum Inc. received a claim in the US from Nighthawk Production LLC. The Board decided to resolve this claim without resorting to legal action. An agreement was signed on 16 September 2016 with Nighthawk Production LLC to assign 480 acres in Lincoln County (Rough House) to Nighthawk Production LLC in full settlement of their claim. AOW has retained an overriding Royalty of 3% on the leases assigned.

The consolidated entity have entered into an expanded J/V with Running Foxes Petroleum LLC to drill two wells on land to be acquired by AOW in Brown County Kansas. The agreement signed with Running Foxes Petroleum in July 2016 and will require AOW to contribute US$593,631 towards the cost of the first two wells to be drilled.
No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity has holdings of leases in the United States of America with the objective of farming out drilling activity or on selling the leases.

Environmental regulation

The consolidated entity holds participating interests in petroleum exploration interest. The various authorities granting such interests require the permit holder to comply with the terms of the grant of the permit and all directions given to it under those terms of the permit. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2016.

Information on directors

Name:	Mr David Shaw
Title:	Director & Non-Executive Chairman
Qualifications:	LLB
Experience and expertise:	Mr Shaw is a Melbourne University law graduate and is currently a practising solicitor with his own firm Campbell & Shaw Lawyers. Mr Shaw is a director on a number of private company boards and advisory boards. Mr Shaw has a long history with the Australian Football League (AFL). Mr Shaw was the Essendon club President from 1992 to 2002. In addition, Mr Shaw was the former Commissioner of the AFL.
Other current directorships:	None
Former directorships (last 3 years):	Ambassador Oil & Gas Ltd (ASX: AQO) (resigned 28 August 2014)
Special responsibilities:	None
Interests in shares:	1,257,143 fully paid ordinary shares
Interests in options:	53,572 options exercisable at $0.25 expiring on the 20 October 2018 and 500,000 options exercisable at $0.25 expiring on 24 October 2016
Interests in rights:	875,000 performance rights

Name:	Mr Alexis Clark
Title:	Director & Chief Executive Officer
Qualifications:	CFA, ACA
Experience and expertise:	Prior to his employment with the Company, Mr Clark was a Consultant to the Oil & Gas Industry. Mr Clark was employed as an Oil & Gas Analyst at Patersons Securities responsible for coverage of small-mid capitalisation Oil & Gas companies and has previously worked as an Energy Analyst at Merrill Lynch covering Large and Medium Capital Energy companies and more recently Shaw Stockbroking where he covered a basket of mid-capitalisation oil and gas companies. In addition to this Mr Clark has over 10 years of experience in the Institutional banking and finance sector where he has held positions at Westpac Institutional Bank, GE Capital and ANZ Banking Group responsible for the origination and execution of transactions across the Energy & Resources and Infrastructure client base.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,737,143 fully paid ordinary shares
Interests in options:	53,572 options exercisable at $0.25 expiring on 20 October 2018 and 1,750,000 options exercisable at $0.25 expiring on 24 October 2016
Interests in rights:	1,750,000 performance rights

Name:	Mr Frank Pirera
Title:	Director, Company Secretary & Chief Financial Officer
Qualifications:	BBus (Acc), FCPA
Experience and expertise:	Mr Pirera is a graduate of Monash University where he obtained a Bachelor of Business (Accounting) and is a Fellow of the Certified Practising Accountants with more than 30 years of experience in public practice. Mr Pirera has a wealth of experience in financial control and management and strategic planning having advised numerous public and private companies throughout his career.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,267,143 fully paid ordinary shares
Interests in options:	53,572 options exercisable at $0.25 expiring on 20 October 2018 and 500,000 options exercisable at $0.25 expiring on 24 October 2016
Interests in rights:	875,000 performance rights

Name:	Mr Jim Angelopoulos
Title:	Director & Chief Operations Officer (resigned 26 November 2015)
Qualifications:	B.Eng
Experience and expertise:	Mr Angelopoulos is a Monash University Engineering Graduate who has had an extensive career as a director of successful businesses. Mr Angelopoulos is the founding director of American Patriot Oil & Gas Pty Ltd. He has overseen its acquisition of substantial acreage position across three states in the USA and the execution of two joint ventures agreements. Mr Angelopoulos is also an experienced Energy Company Investor and a Director of a Joint Venture gas & oil enterprise in Kentucky USA. He is also currently the Managing Director of one of the most successful distribution companies within its industry in Australia and continues to oversee a successful property development business.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	N/A
Interests in shares:	N/A
Interests in rights:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held
Mr David Shaw	8	8
Mr Alexis Clark	8	8
Mr Jim Angeloupoulos*	4	4
Mr Frank Pirera	8	8

Held: represents the number of meetings held during the time the director held office.

* Mr Jim Angeloupoulos resigned 17 November 2015.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The performance of the Group depends on the quality of its Directors and Other Key Management Personnel and therefore the Group must attract, motivate and retain appropriately qualified industry personnel. The Group embodies the following principles in its remuneration framework:
- provide competitive rewards to attract and retain high calibre directors and other key management personnel;
- link executive rewards to shareholder value (by both long and short term incentives);
- link reward with strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- focuses on sustained growth in shareholder wealth, consisting of growth in share price and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers value;
- attracts and retains high calibre executives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

For additional duties in assisting management beyond the normal time commitments of non-executive directors, non-executive directors are paid a per diem rate, with the amounts approved by other directors.

ASX Listing rules requires that the aggregate non-executive directors remuneration shall be determining periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2014, where the shareholders approved a maximum aggregate remuneration of $300,000. No amendments have been made to the available non-executive director remuneration pool since that date.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- superannuation
- share-based payments
- other remuneration such as long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The long-term incentives ('LTI') include share-based payments.

Consolidated entity performance and link to remuneration
The Directors were granted performance rights during the prior period. The Directors are responsible for growing the entity and increasing shareholder value. The performance rights provide an incentive to the recipients to remain with the entity and to continue to enhance the group's value.

Use of remuneration consultants
During the year ended 30 June 2016 the consolidated entity did not engage any remuneration consultants.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, 99.74% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following persons:
- Mr David Shaw (Non-Executive Chairman)
- Mr Alexis Clark (Chief Executive Officer)
- Mr Jim Angelopoulos (Chief Operating Officer) (Resigned on 26 November 2015)
- Mr Frank Pirera (Director, Company Secretary, CFO)
- Mr Kleanthe Hatziladas (Consultant)

2016	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:					
Mr David Shaw	63,334	6,017	-	-	69,351
Executive Directors:					
Mr Alexis Clark	200,000	19,000	-	-	219,000
Mr Jim Angelopoulos*	29,165	2,770	-	-	31,935
Mr Frank Pirera	69,996	6,650	-	-	76,646
Other Key Management Personnel:					
Mr Kleanthe Hatziladas **	75,000	-	-	-	75,000
	437,495	34,437	-	-	471,932

* Mr Jim Angelopoulos resigned as Director and Chief Operations Officer on 26 November 2015.
** Payments were made to Mr Hatziladas through California Services Pty Ltd.

2015	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:					
Mr David Shaw	80,004	7,600	-	56,749	144,353
Executive Directors:					
Mr Alexis Clark	250,000	23,750	-	34,049	307,799
Mr Jim Angelopoulos	69,996	6,650	-	113,498	190,144
Mr Frank Pirera	69,996	6,650	-	56,749	133,395
Other Key Management Personnel:					
Mr Kleanthe Hatziladas *	360,000	-	-	-	360,000
	829,996	44,650	-	261,045	1,135,691

* Payments were made to Mr Hatziladas through California Services Pty Ltd.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2016	2015	2016	2015	2016	2015
Non-Executive Directors:						
Mr David Shaw	100%	61%	-	-	-	39%
Executive Directors:						
Mr Alexis Clark	100%	89%	-	-	-	11%
Mr Jim Angelopoulos	100%	40%	-	-	-	60%
Mr Frank Pirera	100%	58%	-	-	-	42%
Other Key Management Personnel:						
Mr Kleanthe Hatziladas	100%	100%	-	-	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr David Shaw
Title:	Director & Non-executive Chairman
Agreement commenced:	6 March 2014
Term of agreement:	No fixed term
Details:	The Company may terminate the agreement immediately in the event of serious misconduct or neglect in the discharge of his duties. Furthermore the Company may terminate the agreement without cause at any time by giving 1 months written notice to the Director, and making payment of 1 month's remuneration in lieu of notice. The Director may terminate the agreement by providing 1 month's written notice to the Company.

Name:	Mr Alexis Clark
Title:	Chief Executive Officer
Agreement commenced:	7 April 2014
Term of agreement:	No fixed term
Details:	The Company may terminate the agreement immediately in the event of serious misconduct or neglect in the discharge by the CEO of his duties. Furthermore the Company may terminate the agreement without cause at any time by giving 3 months written notice to the CEO, and making payment of 3 month's remuneration in lieu of notice. The CEO may terminate the agreement by providing 3 month's written notice to the Company.

Name:	Mr Frank Pirera
Title:	Company Secretary and Chief Financial Officer
Agreement commenced:	6 March 2014
Term of agreement:	No fixed term
Details:	The Company may terminate the agreement immediately in the event of serious misconduct or neglect in the discharge of his duties. Furthermore the Company may terminate the agreement without cause at any time by giving 1 months written notice to the Director, and making payment of 1 month's remuneration in lieu of notice. The Director may terminate the agreement by providing 1 month's written notice to the Company.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Performance rights
The terms and conditions of each grant of performance rights affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Hurdle price	Fair value per right at grant date
25/11/2014	Immediately upon satisfaction of terms	25/11/2019	$0.200	$0.078
25/11/2014	Immediately upon satisfaction of terms	25/11/2019	$0.500	$0.053
25/11/2014	Immediately upon satisfaction of terms	25/11/2019	$1.000	$0.033

Performance rights granted carry no dividend or voting rights.

The number of performance rights granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of performance rights granted during the year 2016	Number of performance rights granted during the year 2015	Number of performance rights vested during the year 2016	Number of performance rights vested during the year 2015
Mr David Shaw	-	875,000	-	-
Mr Alexis Clarke	-	1,750,000	-	-
Mr Jim Angelopoulos	-	1,750,000	-	-
Mr Frank Pirera	-	875,000	-	-

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2016.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Additional information
The earnings of the consolidated entity for the three years to 30 June 2016 are summarised below:

	2016 $	2015 $	2014 $
Loss after income tax	(2,317,972)	(3,721,267)	(629,152)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2016	2015	2014
Share price at financial year end ($)	0.16	0.17	-
Basic loss per share (cents per share)	(1.44)	(2.60)	(0.61)
Diluted loss per share (cents per share)	(1.44)	(2.60)	(0.61)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr David Shaw	1,150,000	-	107,143	-	1,257,143
Mr Alexis Clark	3,630,000	-	107,143	-	3,737,143
Mr Jim Angelopoulos*	3,680,120	-	-	(3,680,120)	-
Mr Frank Pirera	1,160,000	-	107,143	-	1,267,143
Mr Kleanthe Hatziladas	18,212,070	-	-	-	18,212,070
	27,832,190	-	321,429	(3,680,120)	24,473,499

* Mr Jim Angelopoulos resigned as Director and Chief Operations Officer on 26 November 2015 and therefore disclosure is no longer required.

Options
The number of options held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr David Shaw	553,572	-	-	-	553,572
Mr Alexis Clark	553,572	-	-	-	553,572
Mr Frank Pirera	553,572	-	-	-	553,572
	1,660,716	-	-	-	1,660,716

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Mr David Shaw	553,572	-	553,572
Mr Alexis Clark	553,572	-	553,572
Mr Frank Pirera	553,572	-	553,572
	1,660,716	-	1,660,716

Performance rights holding
The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Mr David Shaw	875,000	-	-	-	875,000
Mr Alexis Clark	1,750,000	-	-	-	1,750,000
Mr Jim Angelopoulos *	1,750,000	-	-	(1,750,000)	-
Mr Frank Pirera	875,000	-	-	-	875,000
	5,250,000	-	-	(1,750,000)	3,500,000

* Mr Jim Angelopoulos resigned as Chief Operations Officer on 26 November 2015 and therefore disclosure is no longer required.

Loans to key management personnel and their related parties
There were no loans to key management personnel and their related parties in place during the year.

Other transactions with key management personnel and their related parties
Set out below is a summary of all contracts that exist, or existed during the current or previous financial period, between the consolidated entity and Mr Kleanthe Hatzildas or his associates, and the resulting transactions.

ADC Service Agreement:
On 8 February 2012, Australian Development Consortium Residential and Commercial Developers Pty Ltd (ADC), a company associated with Mr Hatziladas, entered in a consultancy agreement with the Company (ADC Services Agreement) pursuant to which California Services Pty Ltd agreed to provide resources required by American Patriot to administer its business activities. Under the terms of the ADC Service Agreement, the consolidated entity paid costs of $105,000 during the financial year ended 30 June 2016 (30 June 2015: $120,000).

This concludes the remuneration report, which has been audited.

Shares under option/rights
Unissued ordinary shares of American Patriot Oil & Gas Limited under option or rights at the date of this report are as follows:

	Expiry date	Exercise price	Number under option
Listed options	24 October 2016	$0.250	72,107,965
Listed options	20 October 2018	$0.250	21,621,725
Performance rights Class A*	30 November 2019	$0.200	2,000,000
Performance rights Class B*	30 November 2019	$0.500	1,000,000
Performance rights Class C*	30 November 2019	$1.000	500,000
			97,229,690

No person entitled to exercise the options/rights had or has any right by virtue of the option/right to participate in any share issue of the company or of any other body corporate.

* Performance rights are exercisable only upon achievement of a set share price hurdle.

Shares issued on the exercise of options
There were no ordinary shares of American Patriot Oil & Gas Limited issued on the exercise of options during the year ended 30 June 2016 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of American Patriot Oil & Gas Limited issued on the exercise of performance rights during the year ended 30 June 2016 and up to the date of this report.

Indemnity and insurance of officers
The consolidated entity has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The consolidated entity is a party to Deeds of Indemnity in favour of each Director referred to in this report who held office during the year, as well as senior executives and statutory officers. The indemnities operate to the full extent permitted by law and are not subject to a monetary limit. American Patriot Oil and Gas limited is not aware of any liability having arisen, and no claim has been made, during or since the financial year under the Deeds of Indemnity.

Indemnity and insurance of auditor
The consolidated entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Connect Audit & Assurance Services
There are no officers of the company who are former partners of Connect Audit & Assurance Services.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
George Georgiou of Connect Audit & Assurance Services continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David Shaw
Non-Executive Chairman

30 September 2016

Level 13,
636 St Kilda Road,
Melbourne.
VIC 3004

Tel: +613 8508 7800
Web: www.connectaudit.com.au

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of American Patriot Oil & Gas Limited and controlled entities for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of American Patriot Oil & Gas Limited and controlled entities.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 30 September 2016

American Patriot Oil & Gas Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Interest Income		38,760	68,232
Net foreign exchange gain		1,312	36,594
Expenses			
Administration		(78,991)	(84,610)
Employee benefits expense		(548,470)	(645,682)
Corporate, travel and consulting expenses		(1,306,301)	(2,113,549)
Depreciation and amortisation expense		(45,651)	(25,980)
Other expenses		(27,500)	(5,842)
Exploration costs written off	9	(1,633)	(568,691)
Occupancy expenses		(139,498)	(120,694)
Share based payments	5	(210,000)	(261,045)
Loss before income tax expense		(2,317,972)	(3,721,267)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of American Patriot Oil & Gas Limited		(2,317,972)	(3,721,267)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		90,910	1,064,637
Other comprehensive income for the year, net of tax		90,910	1,064,637
Total comprehensive loss for the year attributable to the owners of American Patriot Oil & Gas Limited		(2,227,062)	(2,656,630)
		Cents	**Cents**
Basic loss per share	25	(1.44)	(2.60)
Diluted loss per share	25	(1.44)	(2.60)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

American Patriot Oil & Gas Limited
Statement of financial position
As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Assets			
Current assets			
Cash and cash equivalents		3,947,350	1,501,722
Trade and other receivables	7	39,901	42,636
Prepayments		23,839	249,201
Total current assets		4,011,090	1,793,559
Non-current assets			
Property, plant and equipment	8	120,061	163,169
Exploration and evaluation	9	7,106,716	5,816,046
Total non-current assets		7,226,777	5,979,215
Total assets		11,237,867	7,772,774
Liabilities			
Current liabilities			
Trade and other payables	10	176,456	200,126
Annual leave payables		21,526	17,183
Total current liabilities		197,982	217,309
Non-current liabilities			
Employee benefits		3,382	1,496
Total non-current liabilities		3,382	1,496
Total liabilities		201,364	218,805
Net assets		11,036,503	7,553,969
Equity			
Issued capital	11	17,918,983	12,209,387
Reserves	12	1,333,499	1,356,087
Accumulated losses		(8,215,979)	(6,011,505)
Total equity		11,036,503	7,553,969

The above statement of financial position should be read in conjunction with the accompanying notes

American Patriot Oil & Gas Limited
Statement of changes in equity
For the year ended 30 June 2016

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2014	4,409,900	30,405	(2,290,238)	2,150,067
Loss after income tax expense for the year	-	-	(3,721,267)	(3,721,267)
Other comprehensive income for the year, net of tax	-	1,064,637	-	1,064,637
Total comprehensive income for the year	-	1,064,637	(3,721,267)	(2,656,630)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 11)	7,583,163	-	-	7,583,163
Issue of options	216,324	-	-	216,324
Performance rights issued	-	261,045	-	261,045
Balance at 30 June 2015	12,209,387	1,356,087	(6,011,505)	7,553,969

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2015	12,209,387	1,356,087	(6,011,505)	7,553,969
Loss after income tax expense for the year	-	-	(2,317,972)	(2,317,972)
Other comprehensive income for the year, net of tax	-	90,910	-	90,910
Total comprehensive income for the year	-	90,910	(2,317,972)	(2,227,062)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 11)	5,709,596	-	-	5,709,596
Lapse of performance rights	-	(113,498)	113,498	-
Balance at 30 June 2016	17,918,983	1,333,499	(8,215,979)	11,036,503

The above statement of changes in equity should be read in conjunction with the accompanying notes

American Patriot Oil & Gas Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,957,308)	(3,309,155)
Interest received		38,760	68,053
Income taxes refunded		-	56,360
Net cash used in operating activities	24	(1,918,548)	(3,184,742)
Cash flows from investing activities			
Payments for property, plant and equipment	8	-	(84,518)
Payments for exploration and evaluation	9	(1,119,767)	(3,195,321)
Production revenue received	9	47,031	74,715
Net cash used in investing activities		(1,072,736)	(3,205,124)
Cash flows from financing activities			
Proceeds from issue of shares	11	6,054,078	8,181,000
Proceeds from issue of options	11	-	216,324
Share issue transaction costs		(554,482)	(597,837)
Net cash from financing activities		5,499,596	7,799,487
Net increase in cash and cash equivalents		2,508,312	1,409,621
Cash and cash equivalents at the beginning of the financial year		1,501,722	46,829
Effects of exchange rate changes on cash and cash equivalents		(62,684)	45,272
Cash and cash equivalents at the end of the financial year		3,947,350	1,501,722

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover American Patriot Oil & Gas Limited as a consolidated entity consisting of American Patriot Oil & Gas Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is American Patriot Oil & Gas Limited's functional and presentation currency.

American Patriot Oil & Gas Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2016. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, the adoption of these standards did not cause a material impact on reported financial position or performance.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity had net operating cash outflows for the year ended 30 June 2016 of $1,918,548 (30 June 2015: $3,184,742) and a closing cash balance of $3,947,350 at 30 June 2016 (30 June 2015: $1,501,722). The working capital position as at 30 June 2016 of the consolidated entity (current assets less current liabilities) of $3,813,108 (30 June 2015: $1,576,250). The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

Therefore to continue as a going concern the consolidated entity must:
- Raise additional equity, and
- Manage the company's cost structure within the constraints of available cash resources; and
- Receiving the proceeds from either the full or partial sale of its existing tenement portfolio; and
- Securing farm-out arrangements of its existing tenement portfolio or obtaining approval for the deferral of the current work programs.

The Directors continue to monitor the ongoing funding requirements of the consolidated entity. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Rounding of amounts

American Patriot Oil & Gas Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of American Patriot Oil & Gas Limited ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. American Patriot Oil & Gas Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is American Patriot Oil & Gas Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, where this approximates the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

Note 2. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 years
Furniture & fixtures	4 years
Computer equipment & software	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 2. Significant accounting policies (continued)

Petroleum exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on 'high quality' corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provision is made for the Group’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made by the Company to employee superannuation funds are charged as expenses when incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options and performance rights over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share
Basic loss per share is calculated by dividing the loss attributable to the owners of American Patriot Oil & Gas Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share
Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Joint arrangements
The consolidated entity holds a 21.5% interest in the Northern Star project. The arrangement relates to exploration activities in the Northern Star project, and is governed by a joint arrangement agreement with the operator of the project. Based on the agreement the consolidated entity has determined that it forms a joint operation in accordance with AASB 11 *Joint Arrangements* and has accounted for its expenditure in relation to this arrangement accordingly. As a result, all expenditure on the Northern Star project is capitalised in accordance with the consolidated entity's accounting policy for petroleum exploration assets.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity operates predominantly as an explorer for oil and gas with exploration activities being undertaken mainly in USA.

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance. The Board of Directors reviews the consolidated entity as a whole in the business segment of oil and gas exploration.

Note 4. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2016 $	2015 $	2016 $	2015 $
Australia	-	-	72,959	99,939
USA	47,031	74,715	7,153,818	5,879,276
	47,031	74,715	7,225,777	5,979,215

Note 5. Expenses

	Consolidated	
	2016 $	2015 $
Loss before income tax includes the following specific expenses:		
Share-based payments expense	210,000	261,045

During the year the consolidated entity issued a total of 1,500,000 fully paid ordinary shares at an issue price of $0.14 (14 cents) per share to employees in accordance with the Employee Share Scheme Incentive Plan. The prior year value represents the accounting valuation of performance rights issued to the board of directors in accordance with AASB 2 – Share Based Payments.

Note 6. Income tax expense

	Consolidated	
	2016 $	2015 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,317,972)	(3,721,267)
Tax at the statutory tax rate of 28.5% (2015: 30%)	(660,622)	(1,116,380)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses relating to US operations not deductible in parent entity tax jurisdiction	79,038	109,271
Share-based payments	59,850	78,313
Other deductible items	(153,329)	-
Impact of change in Australia corporate tax rate on brought forward deferred tax balances and tax losses	68,454	5,109
	(606,609)	(923,687)
Current year tax losses not recognised	683,189	500,941
Current year temporary differences not recognised	(58,287)	545,505
Difference in overseas tax rates	(18,293)	(122,759)
Income tax expense	-	-

Note 6. Income tax expense (continued)

	Consolidated 2016 $	Consolidated 2015 $
Deferred tax assets not recognised		
Deferred tax assets not recognised are attributable to temporary differences and tax losses as follows:		
Tax losses	2,846,341	2,135,610
Temporary differences	28,883	87,884
Total deferred tax assets not recognised	2,875,224	2,223,494

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed or, failing that, the same business test is passed.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
(iii) no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

Note 7. Current assets - trade and other receivables

	Consolidated 2016 $	Consolidated 2015 $
Trade receivables	6,794	6,810
GST receivable	33,107	35,826
	39,901	42,636

Note 8. Non-current assets - property, plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Leasehold improvements - at cost	90,000	100,000
Less: Accumulated depreciation	(36,000)	(28,000)
	54,000	72,000
Fixtures and fittings - at cost	121,149	118,374
Less: Accumulated depreciation	(92,366)	(74,952)
	28,783	43,422
Motor vehicles - at cost	59,735	57,948
Less: Accumulated depreciation	(22,457)	(10,201)
	37,278	47,747
	120,061	163,169

Note 8. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvement $	Fixtures & fittings $	Motor vehicles $	Total $
Balance at 1 July 2014	90,000	39,522	10,139	139,661
Additions	-	26,570	57,948	84,518
Disposals	-	-	(9,909)	(9,909)
Exchange differences	-	1,832	1,033	2,865
Depreciation expense	(18,000)	(24,502)	(11,464)	(53,966)
Balance at 30 June 2015	72,000	43,422	47,747	163,169
Additions	-	232	-	232
Exchange differences	-	678	1,633	2,311
Depreciation expense	(18,000)	(15,549)	(12,102)	(45,651)
Balance at 30 June 2016	54,000	28,783	37,278	120,061

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2016 $	**2015 $**
Exploration and evaluation	7,106,716	5,816,046

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation $
Balance at 1 July 2014	2,433,566
Expenditure during the year	3,195,321
Receipts from production revenues	(74,715)
Exchange differences	830,565
Write off of assets	(568,691)
Balance at 30 June 2015	5,816,046
Additions	1,186,972
Receipts from production revenues	(47,031)
Exchange differences	152,362
Write off of assets	(1,633)
Balance at 30 June 2016	7,106,716

Note 9. Non-current assets - exploration and evaluation (continued)

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain. Capitalised costs amounting to $1,119,767 (2015: $3,195,321) have been included in cash flows from investing activities in the statement of cash flows.

Impairment assessments have been performed by management on each area of interest in accordance with AASB 6 and based on this analysis, no material impairment has been recorded.

During the year the consolidated entity acquired the following leases from Colorado Land Management and Development LLP to add to existing projects as follows:

Overthrust - Wyoming 1958 Acres US$327,000
Rough House - Colorado 320 Acres US$107,520

During the year the consolidated entity paid United Petroleum Consulting Services LLC in the amount of US$395,000 for consulting services including due diligence, title, legal fees and clearing fees.

Colorado Land Management LLP and United Petroleum Consulting Services LLC are operated by Associates of Mr Kleanthe Hatziladas.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	2016 **$**	**2015** **$**
Trade payables	110,525	50,015
Other payables	65,931	150,111
	176,456	200,126

Refer to note 14 for further information on financial instruments.

Note 11. Equity - issued capital

	Consolidated			
	2016 Shares	**2015 Shares**	**2016 $**	**2015 $**
Ordinary shares - fully paid	188,959,694	144,216,290	17,702,659	11,993,063
Options	72,108,145	72,108,145	216,324	216,324
	261,067,839	216,324,435	17,918,983	12,209,387

Note 11. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2014	103,311,290		4,409,900
Issue of shares through initial public offering	8 July 2014	40,905,000	$0.20	8,181,000
Capital raising costs		-	-	(597,837)
Balance	30 June 2015	144,216,290		11,993,063
Issue of shares through the share purchase plan offer	23 December 2015	2,921,443	$0.14	409,002
Issue of shares through the share purchase plan shortfall offer	22 January 2016	13,883,006	$0.14	1,943,621
Issue of shares through the share purchase plan shortfall offer	26 February 2016	26,438,955	$0.14	3,701,454
Issue of shares through the employee share scheme	22 March 2016	1,500,000	$0.14	210,000
Capital raising costs		-	-	(554,481)
Balance	30 June 2016	188,959,694		17,702,659

Options

Details	Date	Options	Issue price	$
Balance	1 July 2014	-		-
Public offering of options	15 September 2014	72,108,145	$0.003	216,324
Balance	30 June 2015	72,108,145		216,324
Balance	30 June 2016	72,108,145		216,324

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
Listed options are exercisable $0.25 (25 cents) and expire on 24 October 2016. The holder of the option is not entitled to participate in dividends and has no right to vote at shareholder meetings.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 11. Equity - issued capital (continued)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 12. Equity - reserves

	Consolidated 2016 $	Consolidated 2015 $
Foreign currency reserve	1,185,952	1,095,042
Share-based payments reserve	147,547	261,045
	1,333,499	1,356,087

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency translation $	Share based payments $	Total $
Balance at 1 July 2014	30,405	-	30,405
Foreign currency translation	1,064,637	-	1,064,637
Performance rights issued	-	261,045	261,045
Balance at 30 June 2015	1,095,042	261,045	1,356,087
Foreign currency translation	90,910	-	90,910
Lapse of performance rights	-	(113,498)	(113,498)
Balance at 30 June 2016	1,185,952	147,547	1,333,499

Note 13. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 14. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Note 14. Financial instruments (continued)

Risk management is carried out by the Board of Directors ('the Board') using policies that include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The consolidated entity's subsidiary operates in the US, and its functional currency is US Dollars. The results of the consolidated entity are presented in Australian Dollars, and therefore the results and net assets of the US subsidiary are subject to fluctuations as a result of exchange rate fluctuations.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	2016	**2015**	**2016**	**2015**
Australian dollars				
US Dollars	1.3731	1.1949	1.3466	1.3063

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
US dollars	77,006	751,654	38,500	114,913

The parent entity operated a US dollar account during the year, and the balance at 30 June 2016 was US$579 (A$779).

The US based operation held cash and cash equivalents of US$34,596 (A$46,587) (2015: US$170,940 (A$223,305)). Other receivables amounted to US$5,046 (A$29,640) (2015: US$5,213(A$22,435)).

Interest rate risk
The consolidated entity's exposure to interest rate risk is primarily in relation to short-term deposits held which are held with reputable financial institutions.

As at the reporting date, the consolidated entity had the following variable rate cash and deposits:

	2016		2015	
Consolidated	**Weighted average interest rate** **%**	**Balance** **$**	**Weighted average interest rate** **%**	**Balance** **$**
Cash and cash equivalents	1.75%	3,947,350	2.00%	1,501,722
Net exposure to cash flow interest rate risk		3,947,350		1,501,722

Potential variances in interest rates are not expected to have a significant impact on the financial report.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity, and is related mainly to bank deposits and tax refunds. As such, credit risk is not considered significant at 30 June 2016.

Note 14. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	110,525	-	-	-	110,525
Other payables	-	65,931	-	-	-	65,931
Total non-derivatives		176,456	-	-	-	176,456

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	50,015	-	-	-	50,015
Other payables	-	150,111	-	-	-	150,111
Total non-derivatives		200,126	-	-	-	200,126

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 15. Key management personnel disclosures

Directors
The following persons were directors of American Patriot Oil & Gas Limited during the financial year:

Mr David Shaw	Non-Executive Chairman
Mr Alexis Clark	Chief Executive Officer
Mr Jim Angelopoulos*	Chief Operations Officer
Mr Frank Pirera	Director, Company Secretary, CFO

*Mr Jim Angelopoulos resigned as Chief Operations Officer on 26 November 2015.

Note 15. Key management personnel disclosures (continued)

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Kleanthe Hatziladas	Promoter and consultant

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2016	2015
	$	$
Short-term employee benefits	437,495	829,996
Post-employment benefits	34,437	44,650
Share-based payments	-	261,045
	471,932	1,135,691

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by George Georgiou of Connect Audit and Assurance Services, the auditor of the company, and unrelated firms:

	Consolidated	
	2016	2015
	$	$
Audit services - George Georgiou of Connect Audit and Assurance Services		
Audit or review of the financial statements	45,000	65,000
Other services - unrelated firms		
US auditors review of American Patriot Oil & Gas Inc.	11,500	22,776

Note 17. Contingent liabilities

The consolidated entity has no contingent liabilities at 30 June 2016 and 30 June 2015.

Note 18. Commitments

	Consolidated	
	2016	2015
	$	$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	76,491	130,313
One to five years	32,827	109,318
	109,318	239,631

Note 18. Commitments (continued)

Service Agreements
The Company has a service agreement with Australian Development Consortium Residential and Commercial Developers Pty Ltd, to provide it with the use of certain resources required to enable the Company to administer its business activities (including office equipment, computer hardware and software) and, in addition, has agreed to provide certain administrative, clerical, book keeping and consultancy services to the Company. The initial agreement had a term of one year and a monthly service fee of $10,000. The Agreement now operates on a month to month basis with either party having the right to terminate the agreement upon the provision of 30 days' written notice to the other party.

Operating Lease
American Patriot Oil & Gas Limited has entered into a lease agreement for office accommodation which commenced in December 2012 with a company in which Mr Kleanthe Hatziladas is a Director. Mr Kleanthe Hatziladas is a major shareholder of American Patriot Oil & Gas Limited. The key details of the lease are as follows:

Lease Term:	5 years
Annual rental:	$70,000 per annum
Annual increase	3%

The Directors believe the term of the lease was established on commercial terms. American Patriot Oil & Gas Limited has negotiated the right to withdraw from the lease by giving one months' notice to Mr Hatziladas.

During the prior financial year, the lease was transferred to an entity which is not associated with Mr Hatziladas and therefore related party transaction disclosure on these transactions will no longer be required going forward.

Royalties:

American Patriot Oil and Gas, Inc has granted an overriding royalty interest to Morning Gun Exploration Inc. This overriding royalty interest was granted with respect to acreage that currently forms part of the Northern Star Project, the Panther Project, the Southern Sun Project and the Overthrust Project. Under the terms of the override Morning Gun Exploration is entitled to receive between 0% and 7.5% of production from the acreage the subject of Morning Gun Exploration's override. The override will not apply to newly acquired land, it will continue to apply to any extension, renewals, replacements of leases over land that is currently burdened by the overriding royalty interest.

Note 19. Related party transactions

Parent entity
American Patriot Oil & Gas Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 21.

Joint operations
Interests in joint operations are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

At the date of initial admission to listing on the ASX the Board considered Mr Kleanthe Hatziladas was a promoter of the Company. Mr Hatziladas was founder of APOG LLC and was previously a director of APOG Inc and is a substantial Shareholder of the Company.

Transactions with related parties
Set out below is a summary of all contracts between American Patriot and Mr Hatziladas or his Associates:

Note 19. Related party transactions (continued)

ADC Service Agreement:
Australian Development Consortium Residential and Commercial Developers Pty Ltd (ADC), a company associated with Mr Hatziladas, in the prior year entered into a consultancy agreement with the Company (ADC Services Agreement) pursuant to which California Services Pty Ltd agreed to provide resources required by American Patriot to administer its business activities. Under the terms of the ADC Service Agreement, ADC was entitled to receive a monthly retainer of $5,000 (inclusive of GST) and reimbursements for travel and accommodation expenses incurred in the provision of the services to the Company. The monthly retainer increased to $10,000 per month upon the Company being admitted to the official list of the ASX.

The Contract is now on a month by month basis.

During the year the consolidated entity acquired the following leases from Colorado Land Management and Development LLP to add to existing projects as follows:

Overthrust - Wyoming 1958 Acres US$327,000
Rough House - Colorado 320 Acres US$107,520

During the year the consolidated entity paid United Petroleum Consulting Services LLC in the amount of US$395,000 for consulting services including due diligence, title, legal fees and clearing fees.

Colorado Land Management LLP and United Petroleum Consulting Services LLC are operated by Associates of Mr Kleanthe Hatziladas.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2016	**2015**
	$	**$**
Current receivables:		
Loan to subsidiaries	9,029,513	6,909,158

Terms and conditions
Interest is charged at 5% per annum and the loan is due for repayment on or before 31 December 2017.

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2016	**2015**
	$	**$**
Loss after income tax	(1,283,226)	(2,259,316)
Total comprehensive loss	(1,283,226)	(2,259,316)

Note 20. Parent entity information (continued)

Statement of financial position

	Parent 2016 $	Parent 2015 $
Total current assets	4,675,228	1,502,249
Total assets	13,037,335	8,511,346
Total current liabilities	159,482	102,589
Total liabilities	162,864	104,085
Equity		
Issued capital	17,918,983	12,209,387
Foreign currency reserve	40,842	-
Share-based payments reserve	147,547	261,045
Accumulated losses	(5,232,901)	(4,063,171)
Total equity	12,874,471	8,407,261

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2016 and 30 June 2015.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2016 and 30 June 2015.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
American Patriot Oil and Gas Inc	USA	100.00%	100.00%
American Patriot Oil and Gas LLC	USA	100.00%	100.00%

Note 22. Interests in joint operations

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

		Ownership interest	
	Principal place of business /	2016	2015
Name	**Country of incorporation**	**%**	**%**
Northern Star project	USA	21.50%	21.50%

Note 23. Events after the reporting period

During the year our American Subsidiary American Patriot Oil & Gas Inc. and Running Foxes Petroleum Inc. received a claim in the US from Nighthawk Production LLC. The Board decided to resolve this claim without resorting to legal action. An agreement was signed on 16 September 2016 with Nighthawk Production LLC to assign 480 acres in Lincoln County (Rough House) to Nighthawk Production LLC in full settlement of their claim. The consolidated has retained an overriding Royalty of 3% on the leases assigned.

The consolidated entity have entered into an expanded J/V with Running Foxes Petroleum LLC to drill two wells on land to be acquired by AOW in Brown County Kansas. The agreement signed with Running Foxes Petroleum in July 2016 and will require AOW to contribute US$593,631 towards the cost of the first two wells to be drilled.
No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2016	**2015**
	$	**$**
Loss after income tax expense for the year	(2,317,972)	(3,721,267)
Adjustments for:		
Depreciation and amortisation	43,108	53,966
Net loss on disposal of property, plant and equipment	-	9,905
Share-based payments	210,000	261,045
Foreign exchange differences	1,230	390,101
Write off of petroleum exploration assets	1,633	540,705
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	2,735	(6,341)
Decrease in income tax refund due	-	51,432
Decrease in deferred tax assets	-	4,749
Decrease in prepayments	225,363	314,985
Decrease in trade and other payables	(90,874)	(1,102,701)
Increase in employee benefits	6,229	18,679
Net cash used in operating activities	(1,918,548)	(3,184,742)

Note 25. Loss per share

	Consolidated	
	2016	**2015**
	$	**$**
Loss after income tax attributable to the owners of American Patriot Oil & Gas Limited	(2,317,972)	(3,721,267)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	161,241,494	143,319,742
Weighted average number of ordinary shares used in calculating diluted earnings per share	161,241,494	143,319,742
	Cents	**Cents**
Basic loss per share	(1.44)	(2.60)
Diluted loss per share	(1.44)	(2.60)

Note 26. Share-based payments

The consolidated entity granted 25 November 2014 a total of 5,250,000 unlisted Performance Options and contained conditions relating to the significant improvement in the market capitalisation of the Company, aligning the interests of the holders to those of the shareholders. Each of the recipients received 3 classes of Performance Rights, each with different market conditions as noted below:

Class A Rights
- 3,000,000 Class A Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $0.50 per share. The exercise price of these rights is set at $0.20 per right. The Rights were issued as follows: -

- Mr David Shaw 500,000
- Mr Jim Angeloploulos 1,000,000*
- Mr Frank Pirera 500,000
- Mr Alexis Clark 1,000,000**

Class B Rights
- 1,500,000 Class A Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $1.00 per share. The exercise price of these rights is set at $0.50 per right. The Rights were issued as follows: -

- Mr David Shaw 250,000
- Mr Jim Angeloploulos 500,000*
- Mr Frank Pirera 250,000
- Mr Alexis Clark 500,000**

Class C Rights
- 750,000 Class A Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $2.00 per share. The exercise price of these rights is set at $1.00 per right. The Rights were issued as follows: -

- Mr David Shaw 125,000
- Mr Jim Angeloploulos 250,000*
- Mr Frank Pirera 125,000
- Mr Alexis Clark 250,000**

* On 17 November 2015 Mr Jim Angelopoulos resigned as Director and Chief Operations Officer and therefore the Performance Rights held by him lapsed.

Note 26. Share-based payments (continued)

** Mr Alexis Clark
- 1,000,000 Class A Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $0.50 per share. The exercise price of these rights is set at $0.20 per right.
- 500,000 Class B Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $1.00 per share. The exercise price of these rights is set at $0.50 per right.
- 250,000 Class C Rights which vest where the Company's share price is equal to or greater than a 45 day VWAP of $2.00 per share. The exercise price of these rights is set at $1.00 per right.

** In addition to above terms, Mr Alexis Clark has the following conditions:
- The CEO adequately implements and successfully executes the capital management plan of the Company. Such plan to be approved by the Directors (and any subsequent amendments) and address the current and future capital needs of the Company.
- The CEO is instrumental in the identification, negotiation and conclusion of a joint venture arrangement in relation to the one or more of the Company's assets. Such joint venture arrangement to be Board approved and, in the opinion of the Board, be material or meaningful to the Company at the point of finalisation.

Set out below are summaries of performance rights granted under the plan:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/11/2014	25/11/2019	$0.000	3,000,000	-	-	(1,000,000)	2,000,000
25/11/2014	25/11/2019	$0.000	1,500,000	-	-	(500,000)	1,000,000
25/11/2014	25/11/2019	$0.000	750,000	-	-	(250,000)	500,000
			5,250,000	-	-	(1,750,000)	3,500,000

* On 17 November 2015 Mr Jim Angelopoulos resigned as Director and Chief Operations Officer and therefore the Performance Rights held by him lapsed.

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/11/2014	25/11/2019	$0.000	-	3,000,000	-	-	3,000,000
25/11/2014	25/11/2019	$0.000	-	1,500,000	-	-	1,500,000
25/11/2014	25/11/2019	$0.000	-	750,000	-	-	750,000
			-	5,250,000	-	-	5,250,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2016 Number	2015 Number
15/09/2014	24/10/2016	72,107,965	72,107,965
26/11/2015	20/10/2018	21,621,725	-
		93,729,690	72,107,965

* The Options granted on 21 December 2015 are free attaching options issued as part of the Share Purchase Plan on a one option for every share successfully subscribed to basis. These options were issued in accordance with the option prospectus announced on the 26 October 2015.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4 years and 5 months.

Note 26. Share-based payments (continued)

For the performance rights granted during the current financial year, the binomial option pricing model valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
25/11/2014	25/11/2019	$0.170	$0.200	79.99%	-	3.35%	$0.078
25/11/2014	25/11/2019	$0.170	$0.500	79.99%	-	3.35%	$0.053
25/11/2014	25/11/2019	$0.170	$1.000	79.99%	-	3.35%	$0.033

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Shaw
Non-Executive Chairman

30 September 2016

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Melbourne.
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Independent Auditor's Report to the Members of American Patriot Oil & Gas Limited

Report on the Financial Report

We have audited the accompanying financial report of American Patriot Oil & Gas Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on page 41.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 report.

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

Independent Auditor's Report

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of American Patriot Oil & Gas Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of American Patriot Oil & Gas Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in the basis of preparation.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the financial year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of American Patriot Oil & Gas Limited for the financial year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001.*

Emphasis of Matter

Without modifying our opinion , we draw attention as described in Notes 3 and 9 the carrying amount of exploration and evaluation costs in non-current assets of $ 7,106,716 (2015 : $5,816,046) where no impairment has been recorded . We believe there is not yet sufficient evidence to indicate that the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale.

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates the existence of a material uncertainty which may cast a significant doubt on the company's ability to continue as a going concern; and

Therefore, the company may be unable to realise their assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 30 September 2016

American Patriot Oil & Gas Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 21 September 2016.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of AOWO options over ordinary shares	Number of holders of AOWOA options over ordinary shares
1 to 1,000	14	2	1
1,001 to 5,000	30	101	5
5,001 to 10,000	124	12	9
10,001 to 100,000	250	93	63
100,001 and over	226	89	39
	644	297	117
Holding less than a marketable parcel	62	257	72

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Fand (Vic) Pty Ltd	15,000,000	7.94
AXL Financial Pty Limited	10,000,000	5.29
Pellicano Future Fund Pty Ltd	7,500,000	3.97
Zero Nominees Pty Ltd	5,415,716	2.87
Holicarl Pty Limited	5,000,000	2.65
Carad Investments Pty Ltd	4,500,000	2.38
Moraitis Family Pty Ltd	4,000,000	2.12
HSBC Custody Nominees (Australia) Limited	3,632,143	1.92
Blane Thingelstad	3,500,000	1.85
Silverstone Wealth Pty Ltd	3,500,000	1.85
Alexis Clark	3,500,000	1.85
Paul Joseph Flatley	3,500,000	1.85
Queensland Investment No 4 Pty Ltd	2,779,000	1.47
A N D H Pty Ltd	2,700,000	1.43
Sayers Investments (ACT) Pty Limited	2,530,000	1.34
Notting Enterprises Pty Ltd	2,500,000	1.32
Baddad Pty Ltd	2,500,000	1.32
ABN AMRO Clearing Sydney Nominees Pty Ltd	2,414,491	1.28
Hatz Investments Pty Ltd	2,250,000	1.19
GAB Superannuation Fund Pty Ltd	2,184,286	1.16
	88,905,636	47.05

	Options over ordinary shares AOWO Number held	ordinary shares % of AOWO options issued
Fand (Vic) Pty Ltd	6,750,000	9.36
Queensland Investment No 4 Pty Ltd	4,250,000	5.89
Pellicano Future Fund Pty Ltd	3,750,000	5.20
Hatz Investments Pty Ltd	3,081,681	4.27
Holicarl Pty Limited	2,500,000	3.47
HSBC Custody Nominees (Australia) Limited	2,266,763	3.14
Carad Investments Pty Ltd	2,250,000	3.12
H-Pel Pty Ltd	2,000,000	2.77
Mr George Tsurlis & Ms Anna-Maria Nonis	1,750,000	2.43
Alexis Clark	1,750,000	2.43
SMC Capital Pty Ltd	1,627,500	2.26
Drax Nominees Pty Ltd	1,450,000	2.01
Colorado Land Management & Development Pty Ltd	1,359,735	1.89
Sayers Investment (ACT) Pty Limited	1,265,000	1.75
Hatz Investments Pty Ltd	1,250,000	1.73
Notting Enterprises Pty Ltd	1,250,000	1.73
Baddad Pty Ltd	1,250,000	1.73
Sayers Investments (ACT) Pty Limited	1,235,000	1.71
Mr Kevin Daniel Leary & Mrs Helen Patricia Leary	1,168,400	1.62
Anthony Hatziladas	1,000,000	1.39
	43,204,079	59.90

	Options over ordinary shares AOWOA Number held	ordinary shares % of AOWOA options issued
AXL Financial Pty Ltd	5,000,000	23.12
Zero Nominees Pty Ltd	2,142,858	9.91
Alitime Nominees Pty Ltd	853,572	3.95
S2S Investment Holding Pty Ltd	714,287	3.30
ACP Investments Pty Ltd	714,286	3.30
Drax Nominees Pty Ltd	690,000	3.19
Wavehill Investments Pty Ltd	642,857	2.97
Mrs Angela Maree Rowe	617,857	2.86
Aust Executor Trustees Ltd	500,000	2.31
Mr Daniel Paul Wise	357,144	1.65
ACP Investments Pty Ltd	357,143	1.65
Dr Salim Cassim	357,143	1.65
GAB Superannuation Fund Pty Ltd	357,143	1.65
Flue Holdings Pty Ltd	357,143	1.65
Miss Laura Franco & Mr Michael Franco & Robert Franco	357,143	1.65
Hydon Pty Ltd	357,143	1.65
BFB Holdings Pty Ltd	357,143	1.65
Barry Fitzgerald & Helen Fitzgerald	200,000	0.92
Quartz Mountain Mining Pty Ltd	187,000	0.86
Mr Manuel Syrianos & Mrs Haroula Syrianos & Mr Aontonios Syrianos	178,572	0.83
	15,298,434	70.72

American Patriot Oil & Gas Limited
Shareholder information
30 June 2016

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Fand (Vic) Pty Ltd	15,000,000	7.94
AXL Financial Pty Limited	10,000,000	5.29

	Options over ordinary shares AOWO Number held	Ordinary shares % of total options issued
Fand (Vic) Pty Ltd	6,750,000	9.36
Queensland Investment No 4 Pty Ltd	4,250,000	5.89
Pellicano Future Fund Pty Ltd	3,750,000	5.20

	Options over ordinary shares AOWOA Number held	ordinary shares % of total options issued
AXL Financial Pty Ltd	5,000,000	23.12

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.