



AMERICAN PATRIOT OIL AND GAS LIMITED
ABN 79 154 049 144

HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

American Patriot Oil & Gas Limited

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31 December 2016

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American Patriot Oil & Gas Limited
Corporate directory
31 December 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, 23 Oxford Street Oakleigh, Victoria 3166 Ph: (03) 9945 8739
Principal place of business	Level 1, 23 Oxford Street Oakleigh, Victoria 3166
Share register	Link Market Services Level 1, 333 Collins Street Melbourne VIC 3000 Phone: 1300 554 474
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Stock exchange listing	American Patriot Oil & Gas Limited shares are listed on the Australian Securities Exchange (ASX Code: AOW and AOWOA)
Website	http://ap-oil.com/

American Patriot Oil & Gas Limited
Review of operations
31 December 2016

Half Year Operations report

It has been a busy first half for American Patriot Oil and Gas Limited (AOW). The company is currently undertaking due diligence to acquire a number of oil and gas producing properties with a number of deals under review at the moment. All assets are production assets with significant reserves, shut in production and infill drilling upside as we look to build an oil and gas production business. We are in advanced stages of review of these opportunities and will update the market at the appropriate time. At this stage we are looking to close on at least two transactions in the first six months of 2017.

We will continue to undertake thorough due diligence on all assets and will not acquire assets which do not pass our strict criteria in order to protect AOW shareholders. This process will take some time to find the right assets for the company as we need to ensure the production and reserves are accurate and there are no hidden liabilities on the assets we acquire. We will not complete a transaction simply for the sake of it and will always undertake full due diligence. In addition to this as oil rebounds the value of our existing core acreage portfolio should be a valuable asset for AOW.

AOW announced during the half that it had terminated the West-world transaction. We undertook extensive due diligence on the West-World transaction assets located in Utah and Texas. Due diligence in phase one included completion of a site visit and technical due diligence of the asset including review of any existing environmental liabilities and independent technical confirmation of the reserves and production potential on the assets.

Our technical advisers conducting the independent review of the assets discovered previously undisclosed environmental liabilities existing on the assets. In addition to this the reserves and production potential on the assets were significantly lower than estimated in the reserve report and other key technical information. We endeavoured to discuss these concerns with the sellers however they could not overcome our key concerns. The Letter of Intent (LOI) on this transaction has expired and we continued to negotiate post the expiry to overcome the key risks including the oil reserves, production potential and liabilities on the assets however we were unable to do so. Unless we can get comfort with these issues we will not be progressing with the transaction including phase 2. This decision is in the best interests of protecting AOW shareholders. In addition to this any proposed US based board or executive appointments who were to be the operators of these assets will also not be proceeding at this point in time.

AOW remains in a strong cash position and by using AOW stock to acquire the production assets we will preserve the cash reserves in AOW. AOW has now listed on the OTC exchange, this process was completed in February 2017. Completion of this will be important as we acquire US production assets and look to attract further US investors.

We would like to thank our shareholders for their ongoing support of the company and we appreciate their patience as we look to execute on our company strategy in 2017.

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 these cost cutting measures we will have the financial flexibility to take advantage of the expected oil recovery in the near term.

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") in the well 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.

The JV partner was expected to drill the second horizontal well, in H2 2016 however this is behind schedule and they have not completed their well commitment. We are currently in discussions on the future plans for this acreage.

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

On 3 February 2016 AOW announced a new farm out with Running Foxes Petroleum Inc. (RFP). AOW signed a new 5 well JV agreement with 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.

Subject to permitting, RFP was expected to drill the first well in the 2H 2016 (AOW free carried) and the second well should follow shortly thereafter. We are awaiting guidance from RFP on when the first well will be drilled. 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.

American Patriot Oil & Gas Limited
Directors' report
31 December 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 half-year ended 31 December 2016.

Directors

The following persons were directors of American Patriot Oil & Gas Limited during the whole of the financial half-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)

Principal activities

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,176,148 (31 December 2015: \$1,044,026).

Refer to the detailed Review of Operations preceding this Directors' Report.

Financial Position

The consolidated entity's net assets at 31 December 2016 were \$8,089,292 (30 June 2016: \$11,036,503) and its working capital position was \$2,300,832 (30 June 2016: \$3,813,108).

Cash on hand at 31 December 2016 was \$1,886,713 (30 June 2016: \$3,947,350). This reduction is caused by operating expenditure and the consolidated entity's investment in exploration and evaluation assets. The consolidated entity had net operating cash outflows for operating activities for the period ended 31 December 2016 of \$1,193,752 (31 December 2015: \$1,078,865).

Significant changes in the state of affairs

On 10 November 2016, the Company issued 700,000 fully paid ordinary shares in consideration for services provided to the Company with a fair value of \$0.085 (8.5 cents).

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 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.

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.

American Patriot Oil & Gas Limited
Directors' report
31 December 2016

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Alexis Clark', written over a horizontal line.

Alexis Clark
Chief Executive Officer

15 March 2017

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF AMERICAN PATRIOT OIL &
GAS LIMITED**

I declare that, to the best of my knowledge and belief during the half year ended 31
December 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the
review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow

N. S. Benbow
Director

Dated this 15th day of March, 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

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American Patriot Oil & Gas Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016

		Consolidated	
	Note	31 December 2016	31 December 2015
		\$	\$
Revenue	3	4,496	4,596
Expenses			
Administration expenses		(23,794)	(38,614)
Employee benefits expense		(201,369)	(320,249)
Corporate, travel and consulting expenses		(838,847)	(558,775)
Occupancy expense		(52,543)	(70,924)
Other expenses		(16,721)	(37,833)
Depreciation and amortisation expense		(15,963)	(22,019)
Impairment of exploration asset		(2,031,407)	-
Loss before income tax expense		(3,176,148)	(1,043,818)
Income tax expense		-	(208)
Loss after income tax expense for the half-year attributable to the owners of American Patriot Oil & Gas Limited		(3,176,148)	(1,044,026)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		169,437	329,452
Other comprehensive income for the half-year, net of tax		169,437	329,452
Total comprehensive loss for the half-year attributable to the owners of American Patriot Oil & Gas Limited		<u>(3,006,711)</u>	<u>(714,574)</u>
		Cents	Cents
Basic loss per share	11	(1.68)	(0.72)
Diluted loss per share	11	(1.68)	(0.72)

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 31 December 2016

		Consolidated	
	Note	31 December	30 June 2016
		2016	2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,886,713	3,947,350
Trade and other receivables	4	78,440	39,901
Other current assets	5	452,108	23,839
Total current assets		<u>2,417,261</u>	<u>4,011,090</u>
Non-current assets			
Property, plant and equipment		102,670	120,061
Exploration and evaluation	6	5,690,589	7,106,716
Total non-current assets		<u>5,793,259</u>	<u>7,226,777</u>
Total assets		<u>8,210,520</u>	<u>11,237,867</u>
Liabilities			
Current liabilities			
Trade and other payables		94,832	176,456
Employee benefits		21,597	21,526
Total current liabilities		<u>116,429</u>	<u>197,982</u>
Non-current liabilities			
Employee benefits		4,799	3,382
Total non-current liabilities		<u>4,799</u>	<u>3,382</u>
Total liabilities		<u>121,228</u>	<u>201,364</u>
Net assets		<u>8,089,292</u>	<u>11,036,503</u>
Equity			
Issued capital	7	17,978,483	17,918,983
Reserves		1,502,936	1,333,499
Accumulated losses		<u>(11,392,127)</u>	<u>(8,215,979)</u>
Total equity		<u>8,089,292</u>	<u>11,036,503</u>

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 half-year ended 31 December 2016

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	12,209,387	1,095,042	261,045	(6,011,505)	7,553,969
Loss after income tax expense for the half-year	-	-	-	(1,044,026)	(1,044,026)
Other comprehensive income for the half-year, net of tax	-	329,452	-	-	329,452
Total comprehensive loss for the half-year	-	329,452	-	(1,044,026)	(714,574)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	409,002	-	-	-	409,002
Lapse of performance rights	-	-	(113,498)	113,498	-
Balance at 31 December 2015	<u>12,618,389</u>	<u>1,424,494</u>	<u>147,547</u>	<u>(6,942,033)</u>	<u>7,248,397</u>

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	17,918,983	1,185,952	147,547	(8,215,979)	11,036,503
Loss after income tax expense for the half-year	-	-	-	(3,176,148)	(3,176,148)
Other comprehensive income for the half-year, net of tax	-	169,437	-	-	169,437
Total comprehensive loss for the half-year	-	169,437	-	(3,176,148)	(3,006,711)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	59,500	-	-	-	59,500
Balance at 31 December 2016	<u>17,978,483</u>	<u>1,355,389</u>	<u>147,547</u>	<u>(11,392,127)</u>	<u>8,089,292</u>

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 half-year ended 31 December 2016

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	28,933	-
Interest received	4,496	4,597
Payments to suppliers and employees (inclusive of GST)	<u>(1,227,181)</u>	<u>(1,083,462)</u>
Net cash used in operating activities	<u>(1,193,752)</u>	<u>(1,078,865)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(489,176)	(163,111)
Payments for security deposits	(394,737)	-
Production revenue received	-	26,176
Proceeds from disposal of property, plant and equipment	<u>1,428</u>	<u>-</u>
Net cash used in investing activities	<u>(882,485)</u>	<u>(136,935)</u>
Cash flows from financing activities		
Proceeds from issue of shares	<u>-</u>	<u>409,002</u>
Net cash from financing activities	<u>-</u>	<u>409,002</u>
Net decrease in cash and cash equivalents	(2,076,237)	(806,798)
Cash and cash equivalents at the beginning of the financial half-year	3,947,350	1,501,722
Effects of exchange rate changes on cash and cash equivalents	<u>15,600</u>	<u>68,709</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,886,713</u></u>	<u><u>763,633</u></u>

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

American Patriot Oil & Gas Limited
Notes to the financial statements
31 December 2016

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 half-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 15 March 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended 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 operating activities for the period ended 31 December 2016 of \$1,193,752 (31 December 2015: \$1,078,865) and a closing cash balance of \$1,886,713 (30 June 2016: \$3,947,350). The entity had net assets for the period ended 31 December 2016 of \$8,089,292 and liabilities of \$121,228. The working capital position at 31 December 2016 was \$2,300,832 (30 June 2016: \$3,813,108).

The consolidated entity will continue to review current expenditure levels and further reduce corporate overhead costs. The consolidated entity has a successful history in raising funds and is well supported by its major shareholders. The consolidated entity has low capital commitments for both corporate and exploration activities.

The Directors continue to monitor the ongoing funding requirements of the consolidated entity. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments. 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.

American Patriot Oil & Gas Limited
Notes to the financial statements
31 December 2016

Note 3. Revenue

	Consolidated	
	31 December 2016	31 December 2015
	\$	\$
Interest	4,496	4,596
	<u>4,496</u>	<u>4,596</u>

Note 4. Current assets - trade and other receivables

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
Trade receivables	21,113	6,794
GST receivable	57,327	33,107
	<u>78,440</u>	<u>39,901</u>

Note 5. Current assets - Other current assets

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
Prepayments	57,371	23,839
Deposits paid for US acreage *	394,737	-
	<u>452,108</u>	<u>23,839</u>

The deposits above have been paid to a third party in relation to due diligence on an exploration project. In the event that the due diligence is carried out and the company does not proceed with the transaction the funds will be refunded in full.

Note 6. Non-current assets - exploration and evaluation

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
Exploration and evaluation	7,809,025	7,106,716
Less: Impairment	(2,118,436)	-
	<u>5,690,589</u>	<u>7,106,716</u>

American Patriot Oil & Gas Limited
Notes to the financial statements
31 December 2016

Note 6. Non-current assets - exploration and evaluation (continued)

Reconciliations

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

Consolidated	Exploration & evaluation \$	Total \$
Balance at 1 July 2016	7,106,716	7,106,716
Additions	489,176	489,176
Receipts from production revenues	(27,911)	(27,911)
Exchange differences	154,015	154,015
Impairment of assets	<u>(2,031,407)</u>	<u>(2,031,407)</u>
Balance at 31 December 2016	<u><u>5,690,589</u></u>	<u><u>5,690,589</u></u>

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 \$489,176 (2015: \$163,111) have been included in cash flows from investing activities in the statement of cash flows.

Included in additions above is USD\$295,000 which relates to a joint venture with Running Foxes Petroleum (RFP) announced on 29 July 2016. Under the terms of the agreement, AOW are required to fund all drilling costs in respect of two exploratory wells and have an option to fund drilling on an additional two exploratory wells in exchange for a working interest of 90% with RFP holding the remaining 10%. At the point where the AOW recovers their drilling and completion costs to the point of production, RFP will increase its working interest to 25% and AOW will reduce its working interest to 75%. The joint venture will have a net revenue interest (NRI) of 80% after royalties.

Management has reviewed each area of interest for impairment indicators in accordance with AASB 6 and has booked a partial impairment in relation to Panther project as the consolidated entity will not be renewing a portion of the acreage within the area of interest. All other areas of interest have been reviewed with no further impairments recorded.

The consolidated entity has a number of wells that are producing pre-production 'test oil' from development wells prior to entering full production. The test oil is considered necessary to the completion of the asset, the proceeds from sales have been offset against the asset cost instead of being recognised as revenue within the statement of profit and loss and other comprehensive income.

Note 7. Equity - issued capital

	Consolidated			
	31 December 2016 No.	30 June 2016 No.	31 December 2016 \$	30 June 2016 \$
Ordinary shares - fully paid	189,659,694	188,959,694	17,978,483	17,702,659
Options - AOWO	-	72,107,965	-	216,324
Options - AOWA	<u>21,621,725</u>	<u>21,621,725</u>	<u>-</u>	<u>-</u>
	<u><u>211,281,419</u></u>	<u><u>282,689,384</u></u>	<u><u>17,978,483</u></u>	<u><u>17,918,983</u></u>

American Patriot Oil & Gas Limited
Notes to the financial statements
31 December 2016

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2016	188,959,694		17,702,659
Transfer of balance upon lapse of options	24 October 2016	-	-	216,324
Issue of shares	10 November 2016	<u>700,000</u>	\$0.085	<u>59,500</u>
Balance	31 December 2016	<u><u>189,659,694</u></u>		<u><u>17,978,483</u></u>

Movements in AOWO options

Details	Date	Options	Issue price	\$
Balance	1 July 2016	72,107,965	0.003	216,324
Transfer of balance upon lapse of options	24 October 2016	<u>(72,107,965)</u>	-	<u>(216,324)</u>
Balance	31 December 2016	<u><u>-</u></u>		<u><u>-</u></u>

Movements in AOWA options

Details	Date	Options	Issue price	\$
Balance	1 July 2016	<u>21,621,725</u>		-
Balance	31 December 2016	<u><u>21,621,725</u></u>		<u><u>-</u></u>

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.

Share buy-back

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

Note 8. Contingent liabilities

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 and replacements of leases over land that is currently burdened by the overriding royalty interest.

The consolidated entity had no other contingent liabilities at 31 December 2016 and 30 June 2016.

American Patriot Oil & Gas Limited
Notes to the financial statements
31 December 2016

Note 9. Commitments

	Consolidated	
	31 December	30 June 2016
	2016	2016
	\$	\$
<i>Exploration licences</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>410,195</u>	<u>-</u>
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	74,837	76,491
One to five years	<u>-</u>	<u>72,220</u>
	<u>74,837</u>	<u>148,711</u>

Operating lease commitments includes contracted amounts for offices and plant and equipment under non-cancellable operating leases expiring within 1 to 4 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Operating lease commitments are materially lower on 31 December 2016 compared to 30 June 2016 as most leases expire within the next 6 months and others have been prepaid for the next 12 months.

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 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 11. Earnings per share

	Consolidated	
	31 December	31 December
	2016	2015
	\$	\$
Loss after income tax attributable to the owners of American Patriot Oil & Gas Limited	<u>(3,176,148)</u>	<u>(1,044,026)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>189,153,716</u>	<u>144,343,309</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>189,153,716</u>	<u>144,343,309</u>
	Cents	Cents
Basic loss per share	(1.68)	(0.72)
Diluted loss per share	(1.68)	(0.72)

During the period the consolidated entity made a loss from continuing operations and therefore the options over ordinary shares on issue are non-dilutive.


American Patriot Oil & Gas Limited
Directors' declaration
31 December 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Alexis Clark
Chief Executive Officer

15 March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AMERICAN PATRIOT OIL & GAS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of American Patriot Oil & Gas Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of American Patriot Oil & Gas Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AMERICAN PATRIOT OIL & GAS LIMITED (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of American Patriot Oil & Gas Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss of \$3,176,148 during the half-year ended 31 December 2016 and the Company's net cash outflow from operations was \$1,193,752. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read 'N.S. Benbow'.

N.S. Benbow
Director

Dated this 15th day of March 2017