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ASX Announcement

AMERICAN PATRIOT COMPANY UPDATE

Highlights

- Reviewed and currently reviewing multiple conventional oil production transactions
- Entered into Letters of Intent for potential acquisitions/due diligence underway
- Agreements in place with US funders to support acquisitions subject to due diligence

In the first quarter of 2017, American Patriot has reviewed and assessed a number of conventional oil production transactions. Following this process we have entered into multiple Letters of Intent (LOI) and paid refundable deposits on a number of potential oil and gas producing property acquisitions. At the same time we have also rejected a number of transactions which did not meet our strict criteria.

We are focused on acquiring conventional producing properties with low operating costs onshore USA with reserve reports and significant production upside via shut in wells, workover potential, behind pipe potential and infill drilling upside. We are aware of numerous attractive oil and gas assets on the market however we are very selective in the assets we have chosen to pursue. For assets on which we have entered LOI's or paid deposits we are currently conducting due diligence on multiple asset acquisitions a process which is expected to take between 30 to 40 days per asset to complete. Our extensive due diligence process on the assets includes lease title review, site visits and other technical due diligence of the asset including review of any existing environmental liabilities and independent technical confirmation of the reserves and confirmation of production income and potential upside production on the assets.

Whilst this process takes some time, 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. In the first quarter of 2017 we have already rejected a number of transactions as a result of this rigorous screening process. This was the right decision for shareholders. The AOW board will not complete a transaction simply for the sake of it and will always undertake full due diligence. Finding the right assets for the company will therefore take some time as we need to ensure the production and reserves are accurate and independently verified and there are no hidden liabilities on any assets we acquire.

The transactions we are reviewing typically involve a mix of cash and stock deals and we have agreements in place with a number of US based funders to finance these acquisitions subject to completion of full due diligence on the assets. AOW remains in a strong cash position and by using a combination of cash and AOW stock to acquire the production assets we will preserve the cash within AOW. We would like to thank our shareholders for their ongoing support of the company and we appreciate your patience as we look to execute on our company strategy in



2017. We will continue to update the market as these transactions materially progress through the due diligence process.

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About American Patriot Oil and Gas

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

