

Quarterly Report for the period ending 31 March 2017

Release Date: 28 April 2017, Melbourne, Australia:

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 within the 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.

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.

As previously stated the JV partner was expected to drill the second horizontal well, in H2 2016 however this was behind schedule and they have not completed their well commitment by the due date in the JV agreement.

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.

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 still awaiting guidance from RFP on when the first well under this JV 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.

Panther Project, 5,664 net acres Garfield County, Montana

AOW held 12,430 gross acres/10,293 net mineral acres on the Panther project in Garfield County, Montana. During the quarter a lease renewal for part of the acreage in the Panther project came up for renewal. The AOW board determined that due to the cost of renewal of this lease, the funds were better to be deployed in the acquisition of oil production assets in line with the current strategy of the company. Accordingly 5,590 gross acres/4629 net acres have been relinquished.

Current Petroleum tenements as at 31 March 2017

United States Acreage	Location	Working Interest	Joint Venture Partner	Gross Acres Held at 31 Mar 2017	Acres acquired during the quarter
Northern Star (includes 319 leases)	Montana	Depth Dependent	Treasure Exploration/Anadarko Minerals	62,443	-
Panther Prospect (includes 28 leases)	Montana	100%		6,840	-
Southern Sun (includes 6 leases)	Utah	100%		3,728	-
Overthrust (includes 3 leases)	Wyoming	100%		2,598	-
Rough House (includes 21 leases)	Colorado	100%	Running Foxes Petroleum	24,181	-

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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 28,256 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 US 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 US operator in a cash and carry deal. The directors of AOW all have significant experience with public companies in the oil and gas industry and will use their experience and energy to build an outstanding oil and gas production and exploration company.