

\$3.0 Million Fully Underwritten Rights Issue

- **Fully underwritten pro-rata non-renounceable 1 for 3.57 Rights Issue at 2.5 cents per share to raise approximately \$3.0 million before costs**
- **One free attaching option for every 2 shares subscribed for under the rights issue**
- **Entitled to the Rights if holding AOW shares at the record date of 8 August 2018**
- **Funds raised to partially fund the acquisition of Foothills Resources Inc and Magnolia/Burnett Assets**

American Patriot Oil and Gas Ltd (ASX: AOW) ("American Patriot" or "the Company"), is pleased to announce a fully underwritten, pro-rata non-renounceable 1 for 3.57 rights issue ("Rights Issue") to Eligible Shareholders, to raise approximately \$3.0 million (before costs), with 1 free attaching New Option for every 2 New Shares subscribed for and issued. The options will have an exercise price of 4.5 cents and an expiry date of 20 September 2019 and will be listed under the code AOWOB. New shares are priced at 2.5 cents per share, which is a 7.41% discount to the last traded price on 2 August 2018 of 2.7 cents per share, and a 11% discount to the 30-day VWAP of 2.81 cents per share. The Rights Issue is fully underwritten by Capital Investment Partners Pty Ltd, an existing major shareholder of the Company.

In addition, Eligible Shareholders may apply for Additional Shares (and attaching Additional Options) over and above their Entitlement at the same price of 2.5 cents per Additional Share, if and to the extent there is any shortfall in subscriptions under the Rights Issue.

The proceeds raised pursuant to the Rights Issue will be used to pay the costs and expenses of the Rights Issue, partially fund the acquisition of Foothills Resources Inc and Magnolia/Burnett Assets as announced by the Company on 24 July 2018, expenses relating to the Company's existing oil and gas projects and for ongoing working capital purposes.

The structure of the Rights Issue has been designed to provide the maximum opportunity for existing American Patriot shareholders to subscribe for further shares in the Company, while at the same time ensuring that a sufficient amount of capital will be raised. The Directors believe a Rights Issue is the correct structure for this capital raising as it treats all shareholders equally and is non-dilutive to the extent that all shareholders are given the opportunity to participate.

Eligible Shareholders are those shareholders whose registered addresses are within Australia or New Zealand as at 7.00 p.m. (AEST) on Wednesday, 8 August 2018 ("Record Date"). Shareholders with a registered address outside Australia or New Zealand at the Record Date will not be eligible to participate in either the Rights Issue.

Fractional entitlements will be rounded up to the nearest whole number and the shares issued under the Rights Issue will rank equally with the Company's fully paid ordinary shares on issue.

Option holders are not entitled to participate in the Rights Issue without first exercising their options to be registered as a Shareholder in Australia or New Zealand as at the Record Date, in accordance with the terms and conditions of the options.

Commenting on the Rights Issue, American Patriot Chief Executive Officer Alexis Clark said:

“By undertaking a rights issue, all existing shareholders will be given the opportunity to acquire New Shares at the same price that the Company has raised additional funds from new sophisticated and professional investors in the Placement.”

“With the support of funding from our funding partner, we will continue to build a significant reserve base with upside potential to grow production and cash flow in line with increasing oil prices.”

“The Company welcomes the support of Capital Investment Partners as underwriter and encourages existing Eligible Shareholders to consider this investment opportunity.”

The proposed timetable* for the Rights Issue is as follows:

Rights Issue announced on ASX	Friday, 3 August 2018
Prospectus and Appendix 3B lodged with ASX	Friday, 3 August 2018
Record Date for the Rights Issue	Wednesday, 8 August 2018
Prospectus with Entitlement and Acceptance Form despatched to Eligible Shareholders	Monday, 13 August 2018
Rights Issue opens	Wednesday, 15 August 2018
Closing Date for the Rights Issue	Monday, 27 August 2018
Issue and allotment of Rights Issue Shares and Options	Monday, 3 September 2018
Normal Trading of Rights Issue Shares on ASX expected to commence	Tuesday, 4 September 2018

* Note: This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the new shares.

Full details of the Rights Issue will be contained in the Prospectus to be lodged with ASIC and the ASX. This will be dispatched to all Eligible Shareholders together with a personalised Entitlement and Acceptance Form, on or about Monday, 13 August 2018.

-ENDS-

For further information please contact:

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Or visit the website:

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Release Date: 3 August 2018

ASX Announcement

AOW.ASX ANPOF.OTC

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 is focused on developing a significant conventional oil and gas production company focused on assets in the Texas and Gulf Coast region. The company has announced a number of recent acquisitions with a focus 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.