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ASX Announcement

## AMERICAN PATRIOT RECEIVES UNSOLICITED TAKEOVER BID FROM RUNNING FOXES PETROLEUM

### Highlights

- Unsolicited takeover bid received from Running Foxes Petroleum
- Bid is \$0.22 per share for all the shares in AOW, valuing the company at \$35m
- Bid received in a challenging and volatile oil market
- AOW delivering on the business model

American Patriot Oil and Gas Limited (AOW or the Company) has today received an unsolicited takeover bid to acquire 100% of the share capital in the Company from Running Foxes Petroleum Inc. (RFP).

The takeover bid is a cash offer of \$0.22 per share for all the shares in AOW, valuing the company at \$35 million. The bid is subject to RFP holding a relevant interest of over 90% of shares in AOW and the successful completion of a due diligence process by RFP.

Since the recent farm-in agreement on the Rough House project in early February 2016, RFP has become increasingly attracted to the assets of AOW and the existing JV partnerships established. The Board of RFP firmly believes their offer will be highly attractive to AOW shareholders in the current oil market.

The board of AOW will meet as soon as possible to consider the takeover offer and will provide further advice at that time. In the meantime, shareholders are advised to take no action in relation to the offer once the Company's securities are released from the current trading halt. We will be approaching major shareholders to determine their interest in the offer. AOW is being advised by Capital Investment Partners (CIP) in relation to the transaction.

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.

AOW CEO, Alexis Clark, commented: *"To receive an offer from Running Foxes for the entire Company in an oil market that is both challenging and volatile is a testament to the quality of the assets and the business model we have created."*

*"We continue to deliver on American Patriot's JV business model, which is proving to be robust even during volatile oil markets. This offer follows on the approach from another significant private U.S. oil company for the entire assets of American Patriot in late 2015. The board and its corporate advisors, Capital Investment Partners, will be considering the merits of the offer and whether it is in the interests of all shareholders. American Patriot's focus remains on maximising value for our shareholders."*

### For further information please contact:

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### About Running Foxes Petroleum Inc.

Founded in 1998, Running Foxes Petroleum Inc. (RFP) is a private energy company located in Centennial, Colorado. The company is actively engaged in the drilling and development of natural gas and oil projects in the continental United States with their primary focus on shallow conventional oil and gas and unconventional shale oil and gas plays in the Mid-Continent and Rocky Mountain regions. RFP continues to operate successfully as a low cost operator with extensive experience in waterfloods, coal bed methane and shale gas. RFP has discovered significant fields such as Old Homestead and Arikaree Creek, and revitalized old fields such as Livengood for itself and partners. Commitment to cost control has allowed RFP to continue and expand regardless of the price environment. RFP is fortunate to be able to offset costs inherent with drilling and remain generally self-sufficient by owning drill rigs, work over units, water trucks, acid trucks and staffing a versatile and knowledgeable staff. With a focus on shallow conventional production, RFP continues to look for opportunities in areas away from overpriced shale plays.

### 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. AOW project map:

