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ASX Announcement

TERM SHEET SIGNED FOR INCREASED FACILITY SIZE US\$40m

- Executed Debt facility Term sheet for increased facility size of up to USD\$40m
- Term sheet is with significant New York Based Institutional Investor
- Facility supports funding of AOW's aggressive conventional oil acquisition programme
- Closure of facility subject to loan documentation and completion of full due diligence
- A number of new additional Texas deals sourced & closing in Q4 2017

American Patriot Oil and Gas has signed a term sheet for an increased debt facility size of up to USD\$40m with a major New York based institutional investor. The facility is subject to completion of loan documentation satisfactory to both parties and the completion of full technical due diligence on American Patriot's recent and all future acquisitions. This process is expected to take 30-40 days.

American Patriot CEO Alexis Clark commented: *"Execution of this term sheet is a key next step in further progressing American Patriot's US conventional oil and gas acquisition programme. We welcome the partnership with such a significant New York based funder who are supporting AOW on the back of our conventional oil and gas acquisition strategy in Texas. This increased facility size will enable American Patriot to undertake a number of material acquisitions in the next 12 months that will have the potential to significantly grow the production, cash flow and reserves base of the company and generate significant value"*

"We have a busy six months ahead as we have sourced a number of attractive new target assets, as we look to deliver on the strategy of aggressively building a producing conventional oil business with well over 1000bopd production in 2018" This is all underpinned by a growing reserve base."

"With the deals recently announced AOW is on track to being cash flow positive and achieving production of 300boepd by the end of 2017 with 1 million barrels of proven oil and gas reserves certified by independent reserve reports. This will generate approximately \$30m USD revenue at current oil and gas prices over a period of time. With the additional transactions we have sourced in the pipeline we are now well on track to exceeding this target"



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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 U.S. based partners. AOW's business model is to acquire a number of 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.