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ASX Announcement

RUNNING FOXES PETROLEUM COMMENCES DUE DILIGENCE PROCESS

Highlights

- Running Foxes Petroleum (RFP) has commenced the due diligence process following its recent unsolicited takeover bid for American Patriot
- Bid is \$0.22 per share for 100% of the share capital in the Company
- Shareholders advised to take no action at this point in time
- Discussions continue with RFP and other interested parties

Running Foxes Petroleum Inc. (RFP) has advised that it has commenced the due diligence process on its proposed acquisition of American Patriot Oil and Gas Limited (AOW or the Company) following the unsolicited takeover bid announced on the 23rd of February, 2016.

The board of AOW is considering the takeover offer by RFP and will provide further advice in the near future. In the meantime, shareholders are advised to take no action in relation to the offer as the board are approaching major shareholders to determine their interest in the offer and ascertain if the minimum acceptance level can be achieved. Capital Investment Partners is advising AOW in relation to the takeover bid. In addition to the ongoing discussions with RFP, AOW is also in discussions with a number of other interested parties and will keep shareholders fully informed on the progress of these discussions.

The takeover bid is a cash offer of \$0.22 per share for all the shares in AOW, valuing the Company at \$35 million at the time of the bid. 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.

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.

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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:

