

MARKET ANNOUNCEMENT

## VERTUA PLACEMENT & CAPEX EXPANSION

Melbourne, November 8, 2018, American Patriot Oil and Gas Ltd (“AOW”) is pleased to announce that it will complete a placement of 50,000,000 shares at \$0.025 (2.5 cents) per share to Vertua Limited (NSX:VERA). The proceeds of the placement will be used to reduce debt and commence the capex program on its US Assets.

Key highlights of these actions are:

**\$1.25m placement to new Cornerstone Investor – Vertua Limited**

**Funds of approximately \$600,000 used to fund capex program on US assets**

**Reduces the outstanding debt to Defender No.2 Fund by \$650,000**

We set out additional details below.

### Cornerstone investor - Vertua Limited

Vertua Limited will take a 50,000,000 share placement at 2.5 cents per share for a total consideration of \$1,250,000. It is proposed that the placement of 50,000,000 shares will reduce the options sought to be issued to Vertua Limited (subject to shareholder approval) at the upcoming Annual General Meeting set out in resolutions 3(a) and 3(b) by 50,000,000 unquoted options.

### Capex Program to fund production expansion

AOW intends to utilise the funds to commence the capex program on the existing US oil and gas assets to grow from the current production of 300 boepd to an estimated 378 boepd post the expansion program. This will occur over a 6 month period and will increase the overall production of the existing assets by ~26%.

### Debt reduction

Part of the funds will be utilised to pay interest and fees associated with the Defender No.2 Fund debt which was utilised to enable settlement of the Magnolia / Burnett asset, as well as a reduction in the total facility currently drawn.

-ENDS-

#### **Investor inquiries:**

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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 Houston, Texas. 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.