

**MARKET ANNOUNCEMENT**

Issued Capital

**CANCELLATION OF SHARES**

**Sydney, July 9 2019**, American Patriot Oil and Gas Ltd (“AOW”) wishes to update the market as to its ongoing investigation and actions with respect of its strategic review and the preparation of the 31 December 2018 accounts.

**Shares Cancellation**

As foreshadowed in the announcement of 21 June 2019, the newly constituted board has been reviewing various related party transactions, including the issues of shares in both the July 2018 placement and October 2018 rights issue. As a direct result of this review, AOW wrote to a single shareholder to reconcile shares issued to it against proceeds received by AOW.

Numerous correspondence was exchanged between the parties, including providing the relevant shareholder with continued extensions to provide both an alternate reconciliation and/or a path to resolve the issue.

The relevant party has still not provided a satisfactory response as of the date of this announcement and accordingly the board has resolved to cancel the 30,992,871 shares (4.42% of the issued capital in AOW) held by the relevant shareholder subject to shareholder approval (if required).

The Company currently has 701,757,563 shares on issue. Once the cancellation is effected, there will be 670,764,692 shares on issue.

**Outstanding Issues**

The board is still working expeditiously to resolve numerous other issues that arose under the stewardship of the previous board, with a view to settling these in a commercial manner to ensure the best possible outcome for AOW and to give shareholders certainty moving forward.

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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 Houston, Texas, with a registered office in Sydney, Australia. 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.