



17 July 2014, Melbourne, Australia:

## **American Patriot takes second significant acreage position in the prospective Denver-Julesburg Basin, Colorado**

- **Acquisition of 15,910 gross acres with a 100% working interest in DJ Basin, Washington County, Colorado**
- **Increases AOW's Colorado position to  $\approx$  22,543 gross acres**
- **Acreage prospective for conventional oil with significant nearby activity**
- **Actively pursuing JV opportunities**
- **AOW now controls 72,415 gross acres across the Rocky Mountains Basins**

American Patriot Oil and Gas Limited (ASX: AOW) has acquired an additional 15,910 acres, lifting its holding to 22,543 gross acres, in the oil producing Denver-Julesburg Basin in Colorado (Rough House project).

AOW has signed a Purchase and Sale Agreement (PSA) to acquire a 100% working interest in the 15,910 gross (2,678 net) mineral acres package of tenements in Washington County (refer figure 1) of the Denver-Julesburg (DJ) Basin. AOW has an 82% net retained interest in the net mineral acres. The PSA is subject to customary due diligence and closing conditions with closing expected on August 16, 2014. The lease terms are for 5 years with 4 years remaining and there are no seismic or drilling commitments on the acreage acquired.

This acquisition builds on American Patriot's strategy of securing a significant acreage position in the Rocky Mountain Basin states of Colorado, Montana, Utah and Wyoming and pursuing farm-out deals to joint venture partners.

American Patriot CEO Alexis Clark said, "Expanding our acreage position in the DJ Basin in Washington County, Colorado is a key plank of our strategy to build shareholder value. Recently prospective acreage in Washington County and the DJ Basin has been the subject of very significant leasing activity supported by positive drilling results from a number of major companies. For example, Nighthawk Energy has six wells producing at a combined rate of  $\approx$ 1600bopd and Cascade Petroleum has over 10 wells permitted for drilling nearby in 2014. "Both companies have significant acreage positions right next door to AOW's acreage. Importantly, post this transaction, AOW will now have the ability to drill up to 76 vertical wells on 80 acre spacing and up to 38 horizontal wells on 160 acre spacing across its Colorado acreage"

"The acquisition of 15,910 additional gross acres is an attractive expansion to AOW's current acreage position in Colorado. In Colorado AOW now has a material position of 6,051 net mineral acres and is in active discussions with potential farm-in partners in line with our Joint Venture business model where AOW's exploration costs are covered by our partners"

"AOW now controls a significant 72,415 gross acres (27,888 net mineral acres) in total across the Rocky Mountain basins. In the next few months AOW will be very active in seeking new acreage acquisitions, JV agreements and drilling on our key Northern Star project. American Patriot is free carried with no cost cap on this horizontal well by Treasure Exploration. Success in this well should unlock a significant, new, tight oil resource project with significant upside to the acreage value from AOW's low cost entry point"



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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 and have approximately 72,415 Gross Acres (27,888 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 America and has already completed its first joint venture agreement on its key Northern Star asset in Montana with US based operator Treasure Exploration, part of a large, US based, private oil and gas company. 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 US operator in a cash and carry deal. The directors of AOW all have significant experience with public companies in the oil and gas industry and will use their experience and energy to build an outstanding oil and gas production and exploration company.

AOW project map:



**Figure 1: American Patriots acquired acreage in Washington County, Colorado & Nearby operators**

