



3 August 2018

Dear Optionholder

**Notification of underwritten non-renounceable rights issue**

American Patriot Oil & Gas Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable rights issue on the basis of 1 fully paid ordinary share for 3.57 ordinary shares held by Shareholders registered at 7.00 pm (AEST) on **8 August 2018 (Record Date)** at an issue price of \$0.025 (2.5 cents), with 1 free attaching New Option for every 2 New shares subscribed for and issued (**Rights Issue**).

The Rights Issue will be offered to shareholders registered on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholder**).

Under the terms of the options you currently hold, there is no entitlement to participate in the Rights Issue, unless you exercise your options and are entered onto the register as an Eligible Shareholder on or before the Record Date. The purpose of this letter is to give you that notice in order to permit you to participate in the Rights Issue, should you wish to do so.

If you wish to participate in the Rights Issue (in respect of your options), you will need to exercise all or part of your options in accordance with their terms at least 1 day prior to **8 August 2018**.

Full details of the Rights Issue are contained in the Prospectus lodged with ASIC and the ASX on 3 August 2018. The Prospectus will be dispatched to shareholders of the Company registered on the share register on the Record Date on 13 August 2018 and who have their registered address in Australia or New Zealand.

If you do not wish to participate in the Rights Issue (in respect of your options) you do not need to take any action. Before deciding whether to exercise all or any of your options, you should consider the Prospectus. If in any doubt, you should consult with your professional advisor.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on +61 3 9945 8739.

Yours faithfully

A handwritten signature in black ink, appearing to read "Alexis Clark", written over a light blue horizontal line.

Alexis Clark  
Chief Executive Officer