



4 February 2016

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Option holder,

American Patriot Oil & Gas Ltd – Options issued to you under share purchase plan and free attaching options offer or share purchase plan and free attaching option shortfall placement offer

Thank you for your recent application under American Patriot Oil & Gas Ltd (**Company**)'s share purchase plan and free attaching option offer or share purchase plan and free attaching option shortfall placement offer (as applicable) to subscribe for shares and free attaching options in the Company.

As you are aware, your application was successful and you were issued with the following shares and options:

Shares	[sample]
Options	[sample]

The board of the Company thank you for your support shown in this issue.

The above shares were issued to you without a disclosure document under either ASIC Class Order CO 09/425 or an exception to the disclosure requirements under the Corporations Act 2001 (Cth).

The options were intended to be issued to you pursuant to a prospectus to be lodged with ASIC dated 26 October 2015. The purpose of providing the prospectus was for technical legal compliance reasons. One such purpose was to ensure that you are able to freely trade the options issued to you as well as any shares issued to you if you exercise any of those options on the ASX.

The prospectus dated 26 October 2015 was lodged with the ASX on that date. However, due to an administrative oversight, it was not lodged with ASIC. One effect of this is that you are unable to trade the options issued to you within 12 months of the date of their issue or any shares issued to you if you exercise any of those options within 12 months of the date of their issue without preparing and lodging a disclosure document (such as a prospectus).

Clearly it would not be practicable or cost effective for you to prepare and lodge a disclosure document if at some future time you wished to sell some or all of these options or any shares issued to you on their exercise. To address this issue, the Company therefore proposes to cancel the options that were previously issued to you and issue the same number of free replacement attaching options to you on identical terms.

The cancellation of your options and new issue of identical replacement ones will not have any effect on the terms or rights attaching to your options, except to ensure that you can readily sell them (or any shares issued if you exercise them) on ASX. This is something that you would have expected when applying for the options.

Enclosed is a prospectus that was lodged with ASIC on 3 February 2016 for the offer of the replacement options proposed to be issued to you. The prospectus is substantially similar to the prospectus dated 26 October 2015. Also enclosed is a personalised application form for the replacement options offered to you under the prospectus.



To give effect to the proposal described in this letter would you please complete the personalised application form and return it to the Company using the enclosed prepaid envelope. No amounts are payable by you in connection with this application.

The application form must be returned by the Company by no later than 19 February 2016. By submitting the application form you are agreeing to the cancellation of the options that were previously issued to you under the share purchase plan and free attaching option offer or share purchase plan and free attaching option shortfall placement offer (as applicable).

The cancellation of your existing options and issue of the replacement options to you is expected to occur by no later than 26 February 2016.

Thank you for your ongoing support of the Company.

If you have any questions in relation to this letter please do not hesitate to contact the Company between 8.30am and 5.30pm (AEDT) Monday to Friday on 03 9945 8739.

Yours sincerely

A handwritten signature in black ink, appearing to read "David Shaw".

Mr David Shaw
Non-Executive Chairman
American Patriot Oil & Gas Limited