



PRESS RELEASE

Mon Dec 4, 2006

PTCH: Patch Takes Major Step Forward with Alberta Oil Sands Acquisition

Patch International Inc. Announces Agreement to Acquire Damascus Energy Inc.

Patch International Inc. ("Patch" or the "Corporation") (OTCBB: PTCH) announces that it has entered into a letter agreement dated December 1, 2006 (the "Agreement"), for the acquisition of Damascus Energy Inc. ("Damascus"), a private corporation incorporated under the laws of Alberta (the "Transaction"). The principal shareholders of Damascus are Michael S. Vandale and Bounty Development Ltd. an Alberta based private company ("Bounty") of the City of Calgary, in the Province of Alberta who prior to the completion of the Transaction will be the Damascus shareholders who will have direct or indirect or beneficial control of 58.5% of the issued and outstanding Damascus shares. Upon completion of the Transaction, Patch proposes to initiate the process of Listing on the American Stock Exchange (AMEX).

Patch intends to acquire, directly or indirectly, 100% of the shares of Damascus, such that Damascus would be a wholly-owned subsidiary of Patch. The acquisition will be in consideration for an aggregate of 11,660,231 common shares in the capital of Patch at a deemed price of (U.S.) \$0.90 per share for an aggregate deemed consideration of approximately \$10,494,207, pursuant to the terms of the Agreement, subject to completion of satisfactory due diligence, a definitive share exchange agreement and receipt of applicable regulatory approvals. In addition, Patch will advance to Damascus a loan in the amount of (U.S.) \$150,000.

All geological information provided in this press release, including all information on the Damascus's property has been provided by management of Damascus and has not been independently verified by management of Patch.

Assets of Damascus

Damascus, incorporated on December 1, 2005 has various oil and gas interests in Canada and its main asset consists of a farmout agreement (the "Farmout Agreement") dated November 30, 2006 between Damascus and Bounty which provides Damascus with the right to earn an 80% working interest in 32 square miles of land located in Townships 94-96, Ranges 14-15 W4M (the "Dover Oil Sands Project"), in the Fort McMurray area of central Alberta, Canada.

The Dover Oil Sands Project consists of 32 contiguous square miles of 100% owned lands in Townships 94 - 96 which is approximately 40 miles northwest of Fort McMurray, representing 20,480 acres. The leases on these lands are valid for 15 years. The productive zone is the McMurray Formation, comprised primarily of fluvial and estuarine channel sandstones which form the main reservoir deposits. The Dover region is active with "SAGD" (steam assisted gravity drainage) projects in various states of development. The first stage of the project is to offset existing oil sand pay on the land by drilling a number of vertical test wells, and shooting seismic (3D and 2D). The objective is to delineate the size and number of oil sands for future SAGD development.

Pursuant to the terms of the Farmout Agreement, Damascus must complete the following payments and work program to earn up to an 80% working interest in the Dover Oil Sands Project:

1. Damascus shall earn a 30% undivided working interest in the Dover Oil Sands Project subject to the following:
 - a. a payment to Bounty in the amount of (Cdn.) \$7,581,500 on or before December 15, 2006;
 - b. on or before December 15, 2006, Damascus shall reimburse Bounty for all expenditures made or liabilities incurred by Bounty to such date in maintaining, permits, approvals and equipment commitments, and in obtaining land, engineering, geological, geophysical and other services reasonably required to allow the first year evaluation wells to be drilled and the seismic program to be completed;
 - c. Damascus issuing 4,425,231 Damascus common shares to Bounty and such shares be exchanged for Patch common shares on or before December 31, 2006, which shares will represent not less than 15% of the issued and outstanding shares of Patch; and
2. Upon Damascus earning its initial 30% undivided working interest in the Dover Oil Sands Project, Damascus shall earn an additional 50% undivided working interest in the Dover Oil Sands Project subject to spudding 16 evaluation wells at mutually agreeable locations on the properties and the completion of a 2D seismic program on the properties on or before March 31, 2007.

Reserve Report

DeGolyer and MacNaughton Canada Limited ("DeGolyer") has been engaged to prepare to provide a NI 51-101 compliant report on the Dover Oil Sands Project. An initial resource reserve report (the "Report") was prepared by DeGolyer, effective November 1, 2006, estimating the extent and value of the probable and possible recoverable reserves of the 32 square miles of land of which Damascus may earn an 80% working interest. The report was prepared using assumptions and methodology guidelines outlined in the Canadian Oil and Gas Evaluation Handbook and in accordance with National Instrument 51-101.

The probable and possible recoverable reserves on a small portion on the 32 square miles at the Dover Oil Sands Project were estimated by the Report to be 376 million barrels, 118 million barrels of probable recoverable reserves, with possible recoverable reserves estimated to be 258 million barrels. There were no proved reserves assigned to the lands at this time, pending the first stage of the project which is to offset existing oil sand pay on the land by drilling a number of vertical test wells, which are anticipated to commence in early 2007. Patch fully expects to rapidly increase recoverable reserves through its stated delineation drilling program.

The leases on these lands are valid for 15 years. The productive zone is the McMurray Formation, comprised primarily of fluvial and estuarine channel sandstones which form the main reservoir deposits. The Dover region is active with "SAGD" (steam assisted gravity drainage) projects in various stages of development.

The first stage of the project is to offset existing oil sand pay on the lands by drilling a number of vertical test wells, and shooting seismic (3D and 2D). The objective is to delineate the reservoir size and recoverable reserves for the 32 square miles for the lease holdings for future SAGD development. It is expected that the drilling of the vertical test wells will commence in January 2007. The capital budget for

the test wells is estimated to be (Cdn) \$6.2 million and this capital will be made possible through current working capital of Damascus and the Corporation and the completion of additional financings.

Officers and Directors of Patch upon completion of the Transaction

Following completion of the Transaction, the current officers and directors of Patch and its subsidiaries will resign, and Michael S. Vandale of Calgary, Alberta and such other directors as selected by Mr. Vandale will be appointed directors of Patch. In addition Mr. Michael S. Vandale will be appointed President and Chief Executive Officer of Patch and Mr. Donald B. Edwards of Calgary, Alberta will be appointed Corporate Secretary of Patch.

Patch and Damascus are currently identifying individuals to act as directors of Patch and to fulfill the role of Chief Financial Officer of Patch.

Conditions of Closing

The closing of the Transaction is subject to the following conditions, among others:

- a. the completion of satisfactory due diligence by Patch and Damascus;
- b. the preparation of a satisfactory engineering evaluation, farmout agreement and financial statements as required by the regulatory authorities;
- c. the entering into a formal share exchange agreement and related documentation, between Patch and Damascus in form and content satisfactory to each of them;
- d. the approval or consent of any third party whose consent is required by Patch and Damascus to complete the Transaction; and
- e. any regulatory, shareholder, director or other approvals as may be required.

It is intended that the offer to purchase Damascus will be made by way of exempt take-over bid in the Province of Alberta and such other jurisdictions in which holders of the Damascus common shares reside where such bid may lawfully be made; provided however, that final determination of the structure will be based on the securities and tax aspects of the Transaction and will be made in the most legally and tax effective manner as agreed to by the parties.

A further press release will be issued at the time when, among other things, the following occur:

- i. a Chief Financial Officer has been selected for Patch;
- ii. an engineering firm has completed an evaluation of the oil and gas interests of Damascus;
- iii. further details relating to the Transaction have been determined; or
- iv. Patch is required by applicable law to disclose information that has occurred subsequent to this press release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Completion of the transaction is subject to a number of conditions. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the share exchange agreement, management information circular or take-over-bid circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

No regulatory authority has passed upon the merits of the proposed transaction and has not approved nor disapproved the contents of this press release.

This news release contains certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Corporation expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans" "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Patch's management on the date the statements are made. The Corporation undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. For further information investors should review the Corporation's filings that are available at www.edgar.com.