

**ASX Announcement/Media Release**

**29 November 2016**

**Recompleted Wells in Silvertip Field Produce 86,000 MCF since August 2016**

- Six (6) recompletions in shallow gas formations performed since August 2016
- Total gas production from recompleted wells since August 2016 was 86,000 MCF
- Four (4) additional recompletions scheduled to begin 29 November 2016

Incremental Oil & Gas Ltd. (ASX: IOG) is finishing its Phase II Work Program in the Silvertip Field. IOG launched its Phase II Work Program in April 2016 by performing multiple workovers, followed by the recompletion of wells in August 2016. Six (6) recompletions have been completed since August, which targeted behind pipe gas reserves in the stacked shallow-gas formations between 2500-4000 feet (~750-1200 meters) below surface. IOG will commence recompletions on four (4) additional wells on 29 November 2016.

On 18 October 2016, IOG successfully recompleted the 53-28F in the Meeteetse formation. IOG recorded a 5-day IP of 310 MCFd from the Meeteetse formation - previously the well was producing 24 MCFd from the Frontier formation. Similar to the 42-4F well which was recompleted on 1 September 2016, the shut-in casing pressure of 850 psig represents virgin like conditions in the Silvertip Field. Over the long term, IOG expects significant production from this well due to its low decline rate. The 53-28F has a 30-day IP of 292 MCFd.

In total, since August 2016, the recompletions resulted in added gross production of more than 86,000 MCF of gas with a net revenue of approximately \$161,000.

The average 5-day initial production (IP) rate for these wells was 344 MCFd (Incremental's forecast was 150 MCFd per recompleted well). The initial 30-day production for the six (6) recompleted wells was 47,000 MCF.

Utilizing existing wellbores, IOG's average recompletion cost has averaged only \$26,000 per well. The higher than expected IP's and 30% less than expected recompletion costs deliver a quicker payback than anticipated - the cost of these six recompletions have now been paid out.

The final four recompletions for 2016 commence on 29 November 2016. Wells targeted in this final round of recompletions were selected based on their geological characteristics in comparison to the previously recompleted wells.

The Silvertip Field has stacked pay reservoirs, and IOG will continue to review all formations to determine new recompletion targets in 2017.

**ENDS**

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**For further information please contact:**

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#### **About the Company:**

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Incremental Oil and Gas Ltd is an USA onshore focused oil and gas exploration and production company. The Company's strategy is to identify and acquire low risk, underperforming oil and gas fields and apply modern technology and expertise to increase production and enhance hydrocarbon recovery, while increasing net cash flow to grow the business.

Incremental has a portfolio of oil and gas producing projects in Wyoming, Colorado and California, USA.

Incremental is the operator of the Silvertip (WY), Florence (CO), Sheep Springs (CA) and Round Mountain (CA) Fields with 100% of the working interest and NRI's between 78.5 - 87.5%.

**All reference to dollars or \$ mean US\$ unless otherwise stated.**

#### **GLOSSARY**

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Behind pipe	A productive reservoir which is isolated from the well bore by the casing. Behind-pipe reserves are expected to be recovered from zones in existing wells, which require additional recompletion work prior to the start of production.
Formation	A formal term used to reference a genetically related rock unit.
IP	Initial production - the rate of initial flow of oil or gas from a new well or a newly recompleted well.
MCF	One thousand cubic feet (natural gas volumetric measurement).
MCFd	Mcf per day.
Recompletion	After the initial completion of a well, the action and techniques of re-entering the well and redoing or repairing the original completion to restore the well's productivity. The completion (or perforation) of an existing wellbore is generally carried out into a different formation from that in which the well was originally completed.

#### **FORWARD LOOKING STATEMENT**

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This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Incremental's views and assumptions with respect to future events as of the date of this Press Release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth to various factors, many which are beyond our ability to control or predict. Some of the risk and other factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological, technical and drilling results; predicted production and reserves estimates; operational delays or unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Incremental, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Press Release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.