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ASX Announcement/Media Release

30 October 2017

**Not for distribution or release in the United States**

**Revised renounceable entitlement offer to raise up to A\$2 million**

**Key Points**

- Entitlement offer announced on 12 October 2017 has been withdrawn
- Revised renounceable pro-rata entitlement offer to raise up to ~A\$2 million (before costs) on a 1 for 1 basis at an issue price of A\$0.01 per fully paid ordinary share plus 1 free attaching option for each new share acquired with an exercise price of A\$0.02 and an expiry date of 29 November 2019
- Top-up facility will allow eligible Shareholders that accept their entitlement in full to apply for additional shares
- Proceeds intended to be used to acquire a ~94% working interest in the Borie Oilfield located in the DJ Basin and for working capital

**Revised Entitlement Offer**

Incremental Oil and Gas Limited (ASX: IOG) ("IOG" or the "Company") is pleased to announce a revised renounceable pro-rata entitlement offer (**Revised Entitlement Offer**) of 1 new share for every 1 IOG share held on 2 November 2017 (**Record Date**) at an issue price of \$0.01 per share to raise up to approximately A\$2 million before costs. Applicants will receive 1 free attaching new option for every new share issued. Each new option will have an exercise price of \$0.02 and an expiry date of 29 November 2019.

As foreshadowed in the Company's announcement on 27 October 2017, the previous 5 for 7 pro-rata renounceable entitlement offer announced to ASX on 12 October 2017 (**Withdrawn Offer**) has been withdrawn and will no longer proceed. Further details regarding the Withdrawn Offer are set out on page 3 of this announcement.

The Revised Entitlement Offer issue price of A\$0.01 per New Share represents:

- a 38% discount to the Company's closing share price of A\$0.016 per share on 25 October 2017 (the last trading day before IOG went into trading halt); and
- a 46% discount to the 15-day VWAP of A\$0.019 per share.

The net proceeds from the Revised Entitlement Offer are expected to be used to fund:

- (a) the acquisition of a ~94% working interest (which will equal a ~82% net revenue interest) in the Borie Oil Field in the DJ Basin (**Borie Project**); and
- (b) working capital for further development of the Company's projects.

If, for any reason, the acquisition of the Borie Project does not close, then the funds intended for that acquisition are proposed to be used to acquire a project of similar scale and quality or, if such a project cannot be acquired on terms acceptable to the Company, on working capital for the further development of the Company's projects.

### **Details of the Revised Entitlement Offer**

The Company has prepared a prospectus for the Revised Entitlement Offer dated 27 October 2017 which has been released to ASX today (**Prospectus**). The Prospectus contains full details of the Revised Entitlement Offer and should be read in full.

Only IOG shareholders with registered addresses in Australia and New Zealand on the Record Date are eligible to participate in the Revised Entitlement Offer if they meet the eligibility criteria set out in the Prospectus (**Eligible Shareholders**). As the Revised Entitlement Offer is renounceable, investors who purchase an entitlement from an Eligible Shareholder (during the entitlement trading period) may also exercise entitlements provided that they have a registered address in Australia or New Zealand and otherwise meet the eligibility criteria set out in the Prospectus (**Eligible Entitlement Holders**).

Eligible Shareholders and Eligible Entitlement Holders are collectively referred to as "**Eligible Offerees**".

Any investor who is in the United States, is a US Person or is acting for the account or benefit of such persons or who is ineligible under all applicable securities laws to receive an offer under the Revised Entitlement Offer will not be entitled to participate.

Eligible Offerees (other than directors and related parties of IOG) may, in addition to taking up their entitlement, apply for additional new shares (and free attaching new options) in excess of their entitlement under the 'Top-Up Facility' offered under the Revised Entitlement Offer.

### **Trading of Entitlements under the Revised Entitlement Offer**

Entitlements are renounceable and will be tradeable on ASX or transferrable off-market. This provides Eligible Shareholders the opportunity to sell some or all of their entitlements in order to realise value for those entitlements. Trading of entitlements is expected to commence on ASX on Wednesday 1 November 2017 (on a deferred settlement basis) and to end on Tuesday 7 November 2017.

It is the responsibility of purchasers of entitlements to inform themselves of the 'eligibility criteria' (details of which are set out in the Prospectus) for exercise. If holders of entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the entitlements. In the event that holders are not able to take up their entitlements, those entitlements will lapse.

### **No underwriting**

The Entitlement Offer is not underwritten.

## Lead Manager

CPS Capital Group Pty Ltd has been appointed as lead manager for the issue.

## Sale nominee

In accordance with Listing Rule 7.7, IOG has also appointed CPS Capital as nominee to sell the entitlements to which ineligible shareholders are entitled and remit net proceeds (if any) to them.

## Indicative timetable<sup>1</sup>

Event	2017
Announcement of the Revised Entitlement Offer	Monday 30 October
"Ex"-date (shares now trade without right to participate in the Revised Entitlement Offer) Entitlement trading to commence on a deferred settlement basis	Wednesday 1 November
Record Date to determine entitlement to subscribe for new shares and new options	7.00pm (AEDT) on Thursday 2 November
Revised Entitlement Offer opens	Friday 3 November
Entitlement trading ends	Tuesday 7 November
New shares and new options quoted on a deferred settlement basis	Wednesday 8 November
Closing date for Revised Entitlement Offer	5.00pm (AEDT) on Tuesday 14 November
Issue of new shares and new options and despatch of confirmation of issue Deferred settlement trading ends	Monday 20 November
Normal trading of new shares and new options on ASX	Tuesday 21 November

## Other information

Further details of the Revised Entitlement Offer are set out in the Prospectus. The Prospectus contains important information in relation to the Revised Entitlement Offer, including details of how to participate in the Revised Entitlement Offer, the eligibility criteria for participating in the Revised Entitlement Offer, the key risks associated with an investment in the Company and further details on the Company.

The Revised Entitlement Offer falls within an exception to ASX Listing Rule 7.1 and does not require shareholder approval.

<sup>1</sup> These dates are indicative only. The Company may vary the dates and times of the Revised Entitlement Offer or withdraw it without notice. Accordingly, Eligible Shareholders are encouraged to submit their entitlement and acceptance form as early as possible. Without limiting the foregoing, subject to the ASX Listing Rules, the IOG directors reserve the right to extend the Closing Date for the Revised Entitlement Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of new shares and new options.

## Further details regarding Withdrawn Offer

The Company has withdrawn its 5 for 7 pro-rata renounceable entitlement offer made under a prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 October 2017 (**Withdrawn Prospectus**).

A supplementary prospectus in relation to the Withdrawn Prospectus was lodged with ASIC on 27 October 2017 and accompanies this announcement (**Supplementary Prospectus**). The Supplementary Prospectus should be read together with the Withdrawn Prospectus.

No securities have been issued prior to this date on the basis of the Withdrawn Prospectus, and the Company will not issue any securities on the basis of the Withdrawn Prospectus.

All application moneys received under the Withdrawn Prospectus are held on trust by the Company's share registrar and will be refunded in full by bank transfer where a nominated bank account has been provided, or by way of a cheque which will be sent to the applicant's address as recorded on the share register. The Company will coordinate with the share registry to process all cheques and bank transfers as soon as possible.

## Shareholder enquiries

Shareholders who have questions relating to the Revised Entitlement Offer or the Withdrawn Offer should call the Company Secretary, Simon Adams on business days prior to the closing date of the Revised Entitlement Offer on the details set out below.

## ENDS

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For further details contact:

### Australia –

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## Important notice

This announcement is not an offer or an invitation to acquire securities. In particular, any securities described in this announcement have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

## Forward-looking statements

This release contains forward-looking statements. The words 'forecast', 'estimate', 'likely', 'anticipate', 'believe', 'expect', 'project', 'predict', 'outlook', 'guidance', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this release include statements regarding our strategy, future operational and financial results, acquisitions, future projects, the results of the capital raising and the use of proceeds therefrom. You are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements, opinions and estimates provided in this release are based on assumptions

and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements are subject to known and unknown risks and uncertainties, there can be no assurance that actual outcomes will not differ materially from forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no obligation to update or revise these forward-looking statements to reflect any change in expectations or assumptions.

### **Background on Incremental Oil and Gas Limited**

Incremental Oil and Gas Limited 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.

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

The Company 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%.