

# AGM PRESENTATION

21 MAY 2015

ASX: IOG



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*All references to dollars, cents or \$ in this presentation are to American currency, unless otherwise stated.*

# WHO IS **incremental**?



# incremental IS AN exploration & production COMPANY

Conversion of PDNP<sup>(2)</sup> to PDP's<sup>(1)</sup> – work-over

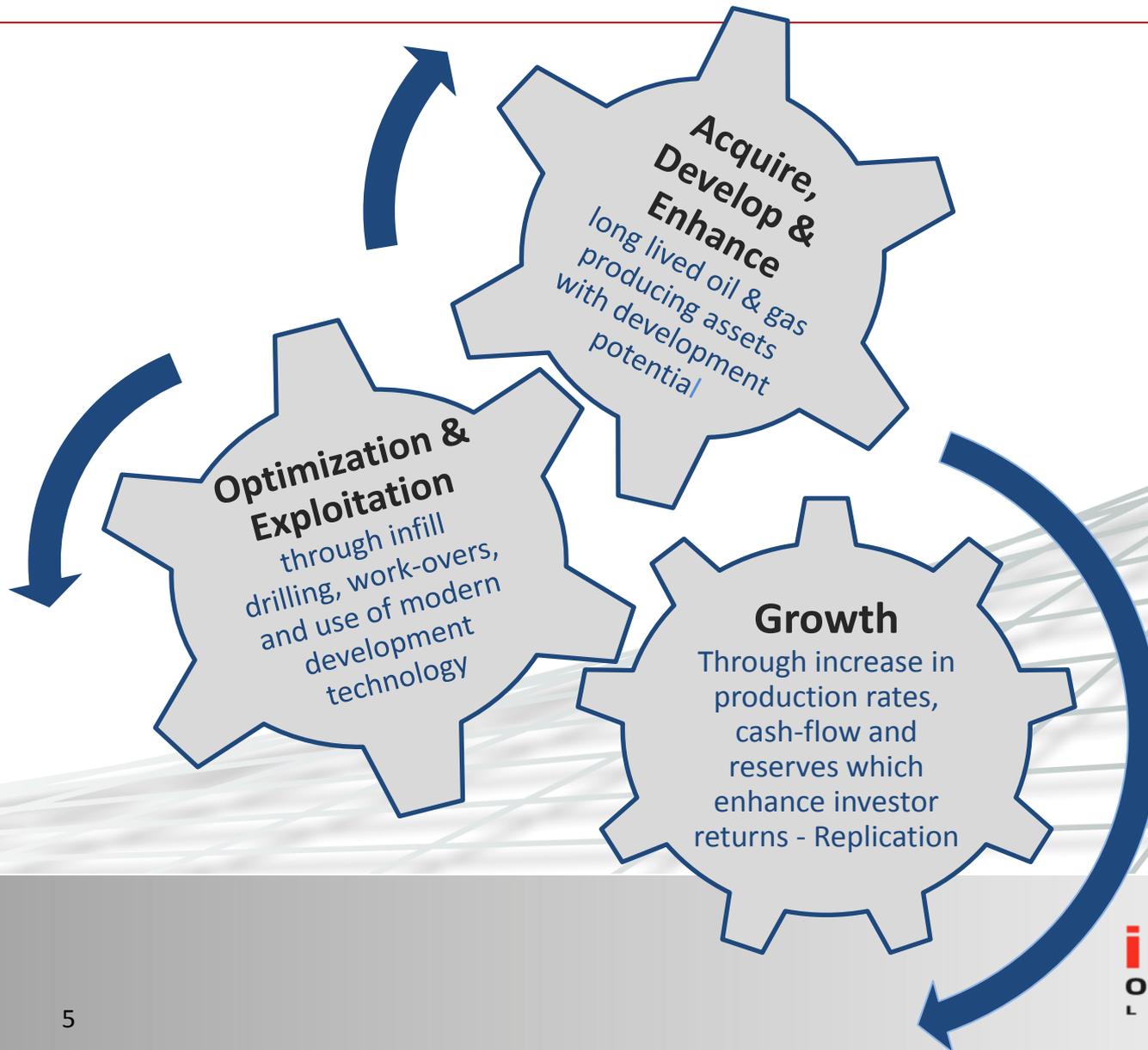
Conversion of PUD's<sup>(3)</sup> to PDP's - infill and step-out drilling

Enhance ultimate recovery

- Geological and engineering expertise allows us to capitalize on overlooked opportunities – workovers, new perf's, stimulation and re-activation of wells
- Considerable field experience enables optimization through streamlining operations, fluid control and pump efficiency.
- Infill drilling will lead to reserve growth and increased production
- Step-out drilling expands field limits resulting in increased reserves and field life
- Utilize advanced oilfield technology and improved operating and recovery techniques that weren't available when the field was discovered and developed

1. PDP – Proven Developed Producing (well in production)
2. PDNP – Proven Developed, Not Producing (well drilled but not presently producing)
3. PUD – Proven Undeveloped (undrilled well target that is proposed within a 1P reserve area)

# incremental STRATEGY



# incremental OVERVIEW

Ordinary shares on issue <sup>1</sup>	163,684,580
Options on issue <sup>2</sup>	5,400,000
Top 20 shareholder / Board-Management holding	62% / 27%
Share Price <sup>3</sup>	A\$0.03 (US\$0.024)
Market Capitalization <sup>3</sup>	US\$3.93M
PV <sub>10</sub> Estimate of Proven Developed Reserves <sup>4, 5</sup>	US\$7.74M
Proven Developed Reserves <sup>4</sup>	402,000 boe
Exchange: trading symbol	ASX: IOG

1. Includes shares that will be issued subject to approval of shareholders at AGM (May-15)

2. 5,000,000 exercisable at A\$0.1485 before 27 July 2018 +  
400,000 exercisable at A\$0.07 before 26 May 2017

3. As at 20 May 2015

4. As at 31 December 2014, before Silver Tip, WY project is included

5. PV<sub>10</sub> based on average oil price forward strip as at 31 December 2014 - \$48/bl (2015)

# Operating RESULTS

## Financial -

US\$M	2011	2012	2013	2014
REVENUE	7.7	16.0	10.9	6.5
EBITDA	3.0	6.9	3.5	2.1

## Production -

Avg BOPD	2011	2012	2013	2014
Sheep Springs <sup>(1)</sup>	134	110	93	67
Round Mountain	81 <sup>(2)</sup>	106	68	52
Florence	-	429 <sup>(3)</sup>	148	84
	215	645	309	203

1. Excludes gas (~3%)
2. Round Mountain production started in Mar-11
3. Florence Oilfield was acquired in May-12

# Project ECONOMICS

Netback per Barrel (2014)	Revenue <sup>1</sup>	Royalties <sup>1</sup> and tax <sup>2</sup>	Operating Costs <sup>1</sup>	Netback/ Margins <sup>1</sup>
California <sup>3</sup>	\$94	(\$19)	(\$17)	\$58 / 62%
Colorado <sup>4</sup>	\$92	(\$22)	(\$15)	\$55 / 60%

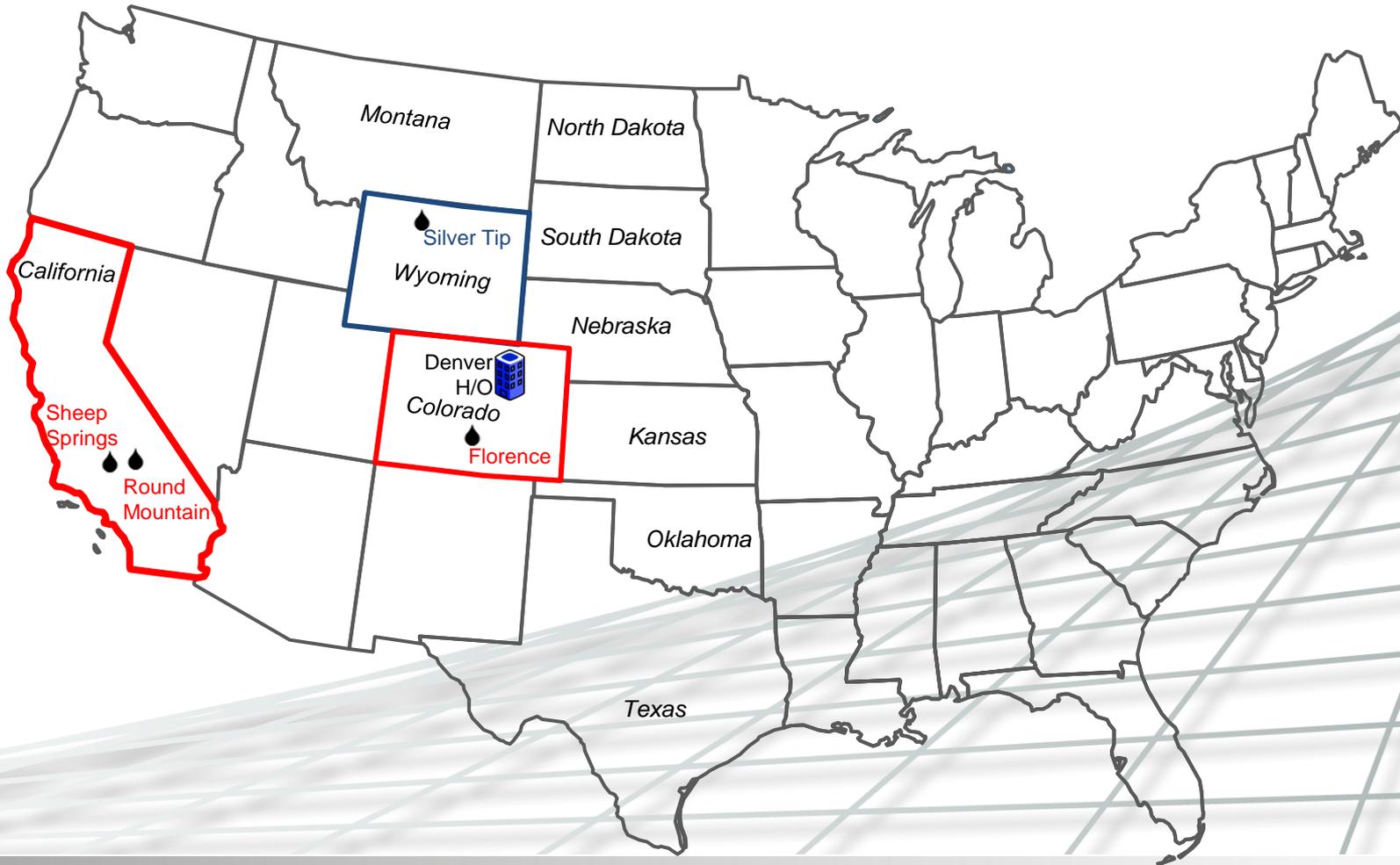


- Production remains profitable in low oil price environment

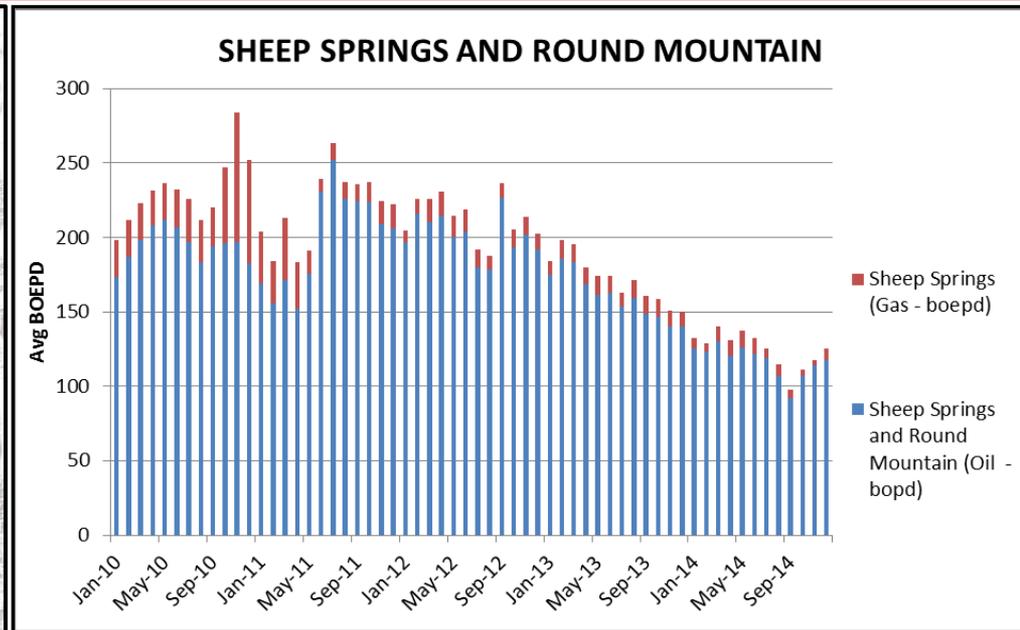
Netback per Barrel (Q1-15)	Revenue <sup>1</sup>	Royalties <sup>1</sup> and tax <sup>2</sup>	Operating Costs <sup>1</sup>	Netback/ Margins <sup>1</sup>
California <sup>3</sup>	\$45	(\$9)	(\$11)	\$25 / 56%
Colorado <sup>4</sup>	\$37	(\$9)	(\$15)	\$13 / 35%

1. Avg. price received per barrel of oil
2. Assume tax rate of 5%
3. Sheep Springs and Round Mountain Fields
4. Florence Field

# Operating LOCATIONS



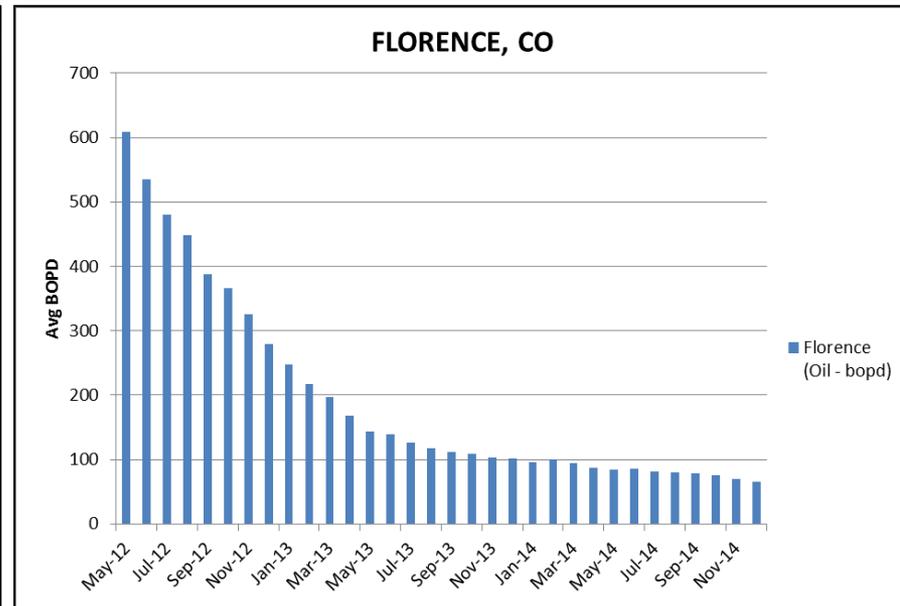
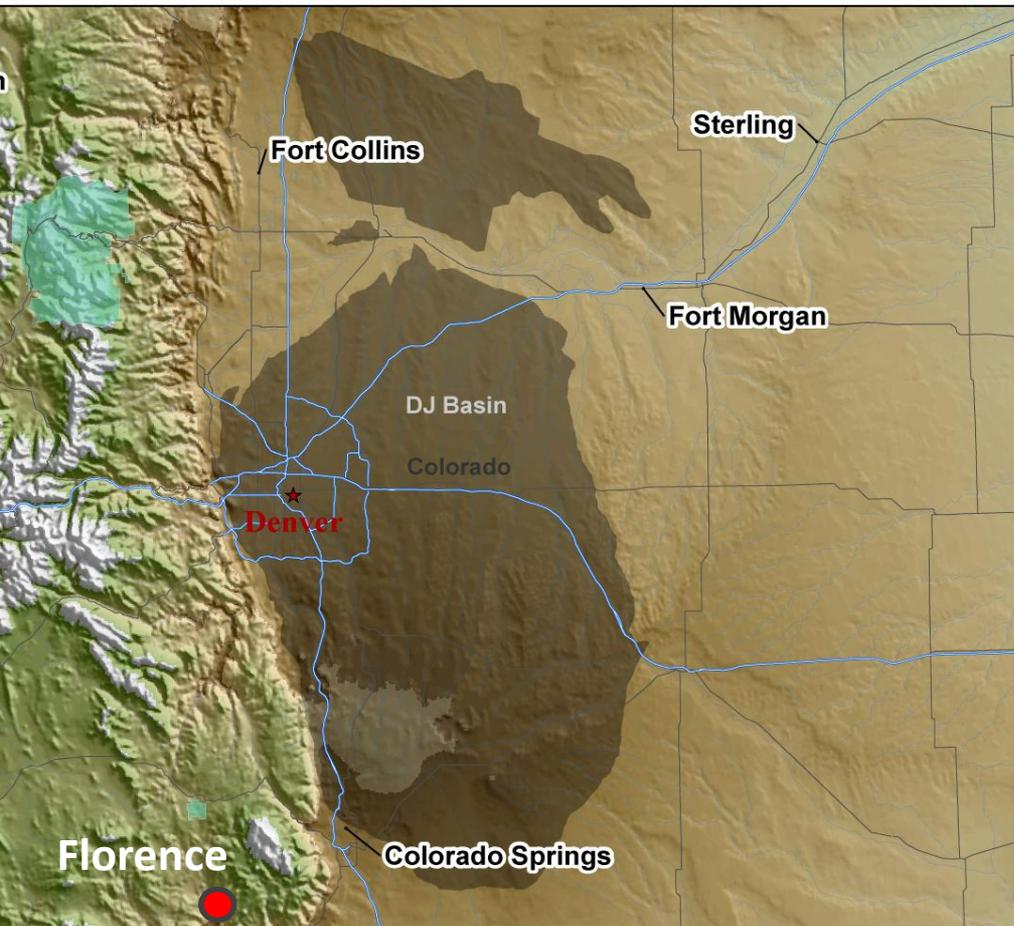
# California PROJECTS



- Oil Produced from 2010 to 2014  
 Sheep Springs: 217,300 Bbls + 31,900 BOE Gas  
 Round Mountain: 101,500 Bbls
- Sales<sup>(1)</sup> (2010-2014): \$26.5 million
- Net revenue<sup>(2)</sup> (2010-2014): \$20.5 million

1. Revenue to IOG (after refinery charges & royalty)
2. Net Revenue to IOG after production taxes and lease operating expenses (LOE's)

# Colorado PROJECT



- Oil Produced from 2012 (May) to 2014: 189,600 Bbls
- Sales <sup>(1)</sup> (2012-2014): \$12.6 million
- Net Revenue (2012-2014): \$10.3 million

1. Revenue to IOG (after refinery charges & royalty)
2. Net Revenue to IOG after production taxes and lease operating expenses (LOE's)

# Board of DIRECTORS

<p><b>Mark Stowell</b> Non-Exec Chairman</p>		<p>Involved in public company corporate sector for over 20 years including significant IPO and merger actions in the resource and energy sectors. MAWSON WEST LTD: Significant African based copper/silver mining company, INCREMENTAL PETROLEUM LTD: second largest oil production company in Turkey.</p>
<p><b>Gerry McGann</b> Non-Exec Technical Director</p>		<p>Over 40 years experience in the upstream oil and gas industry as a petroleum geologist. OCCIDENTAL: Exploration Manager Oman and Bangladesh. Increased Oman production from 32k to 52k bopd in 3 years. INCREMENTAL PETROLEUM: Managing Director, responsible for management of second largest oil production company in Turkey.</p>
<p><b>Matt McCann</b> Non-Exec Director</p>		<p>20 years of experience in the legal and energy sectors SANDRIDGE ENERGY: Senior VP 2005-07. TRANSATLANTIC PETROLEUM: CEO. 2009- 2011 Grew from junior explorer to a significant international oil and gas producer in 2 years.</p>
<p><b>John Whisler</b> Managing Director</p>		<p>See “Management Team” slide for details</p>

# Management TEAM

<b>John Whisler</b>	Managing Director	Joined IOG in April 2013, appointed as in July 2014. More than 25 years experience in the oil and gas industry. Extensive experience in a broad range of areas including business development, acquisitions and divestitures, project management, exploration, field production operations, drilling and completions. PETROGULF: VP Operations, 2001-2008. DELEK: CEO, 2008-2011.
<b>Simon Adams</b>	CFO/ Co. Sec.	Joined IOG in May 2012. Over 20 years of experience with a number of ASX listed companies in various sectors including energy, agribusiness, resources and property. Strong skill set in corporate compliance and financial management including IPO's, tax and business development.
<b>Will Duggins</b>	Senior Geologist	Joined IOG in October 2012. Worked as a contract geologist with WPX while finishing M.Sc thesis focused on the facies and sequence stratigraphy of the Granite Wash in the Anadarko Basin. Experience in petrophysical analysis, sequence stratigraphy, seismic interpretation, core interpretation, field mapping and integrating production data into geological models
<b>Bill Woodward</b>	Financial Controller	Joined IOG in May 2013. Over 20 years experience in the energy and resources sector with various companies. Skills based around accounting systems, tax compliance, financial reporting and asset management.

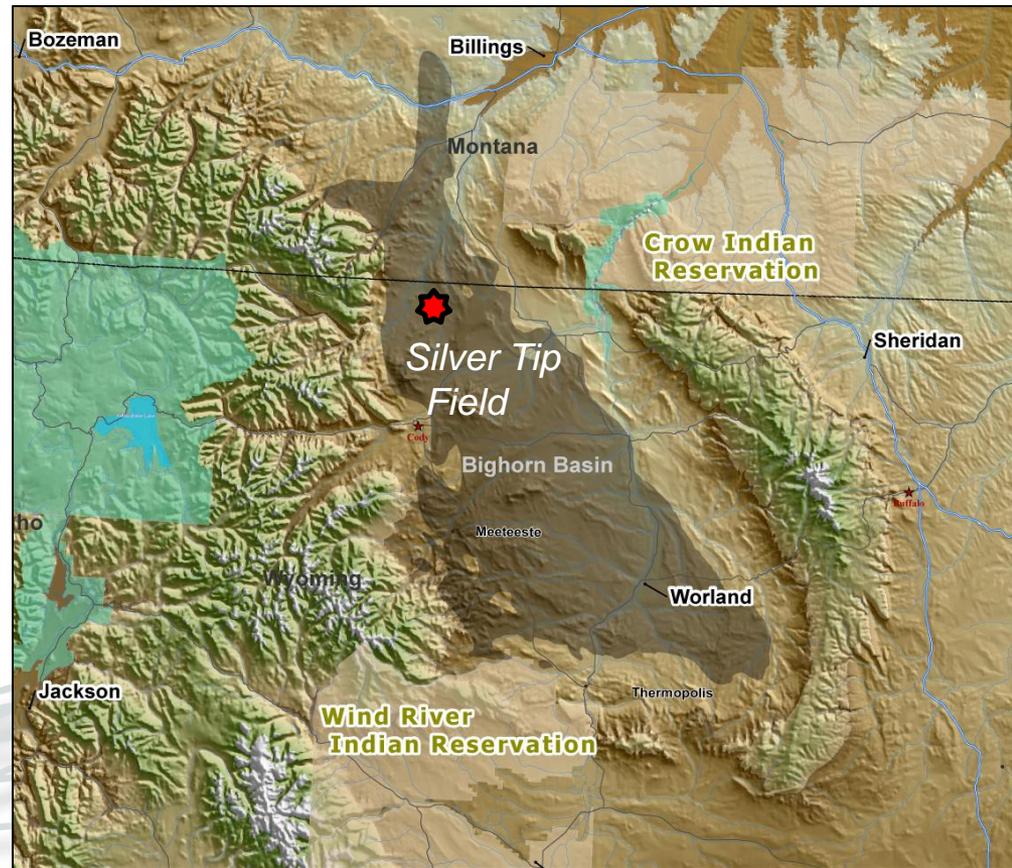
# Silver Tip Field

WYOMING

Note – PSA executed, transaction due to close July 1, 2015

# Silver Tip LOCATION

- Northwest Bighorn Basin
- Silver Tip is 90 miles south of Billings which has regular flights from Denver
- Nearest town is Powell, WY
- Rugged topography with gullies and draws
- Other significant E&P companies operating in the Bighorn Basin:
  - Marathon Oil Company (NYSE: MRO)
  - Encore Energy Partners (NYSE: ENP)
  - Devon Energy Production Co (NYSE: DVN)
  - Whiting Oil and Gas Corp (NYSE: WLL)



# Executive SUMMARY

## Lease Information -

- Located in northwestern Wyoming near Montana border
- 5,530 net mineral acres
- 55% Federal lands <sup>(1)</sup>, 12% State lands <sup>(1)</sup>, 33% Fee lands <sup>(2)</sup> – 80% held by production (HBP)
- 100% working interest (WI) & 82% average net revenue interest (NRI)

## Purchase price -

- Purchase price - \$6.3M
- Includes significant catalogue of surface equipment and inventory

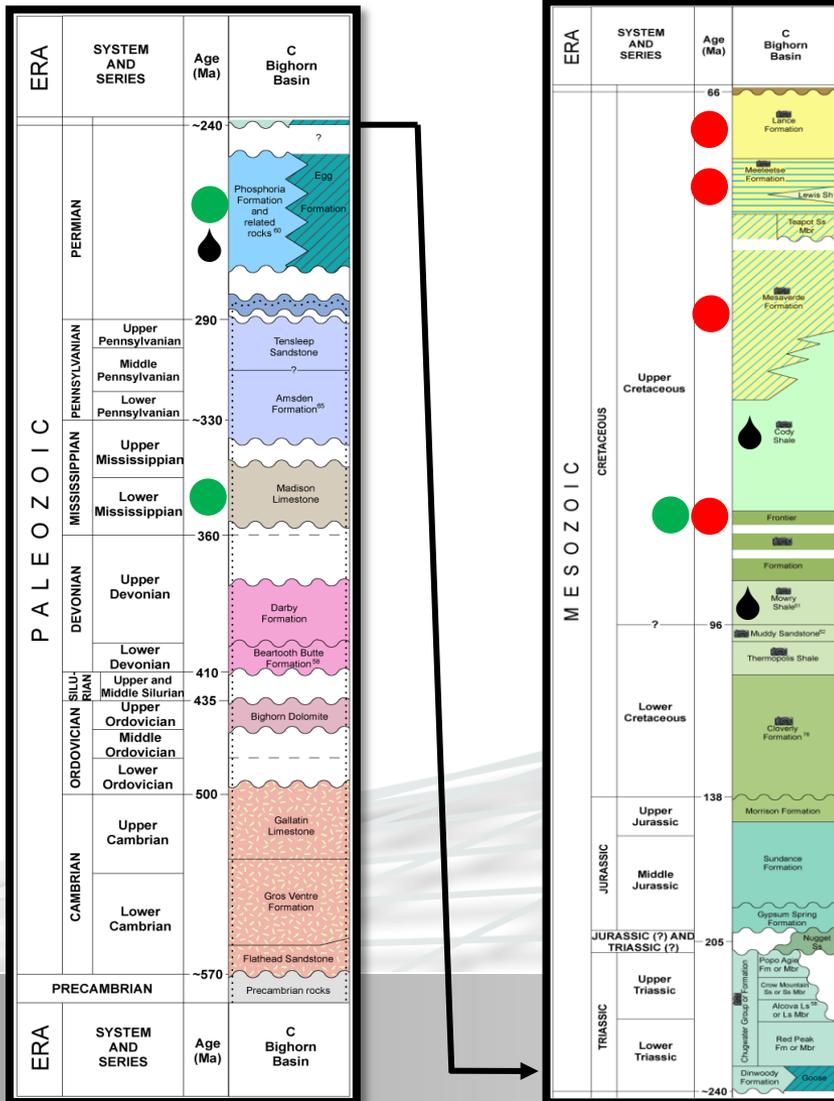
1. Surface and /or mineral rights owned by US Federal and Wyoming State Governments
2. Surface and/or mineral rights owned by non-government entities

# Executive SUMMARY (cont)

## Operating information -

- 360 BOEPD (Net): 85 BO/D, 100 NGLB/D, 1.05 MCF/D
- 107 wells including 92 producers, 2 water injection wells and 13 shut in wells
- Cumulative production from the Silver Tip Field of 6.3 MMBO and 41.4 BCFG
- Multi stack reservoirs – deep oil & shallow gas productive formations
- Mix of pumping wells, plunger wells & flowing wells
- Average 42 gravity sweet oil
- 14.8 square miles (9,500 acres) of 3D seismic

# Geologic COLUMN and Target FORMATIONS

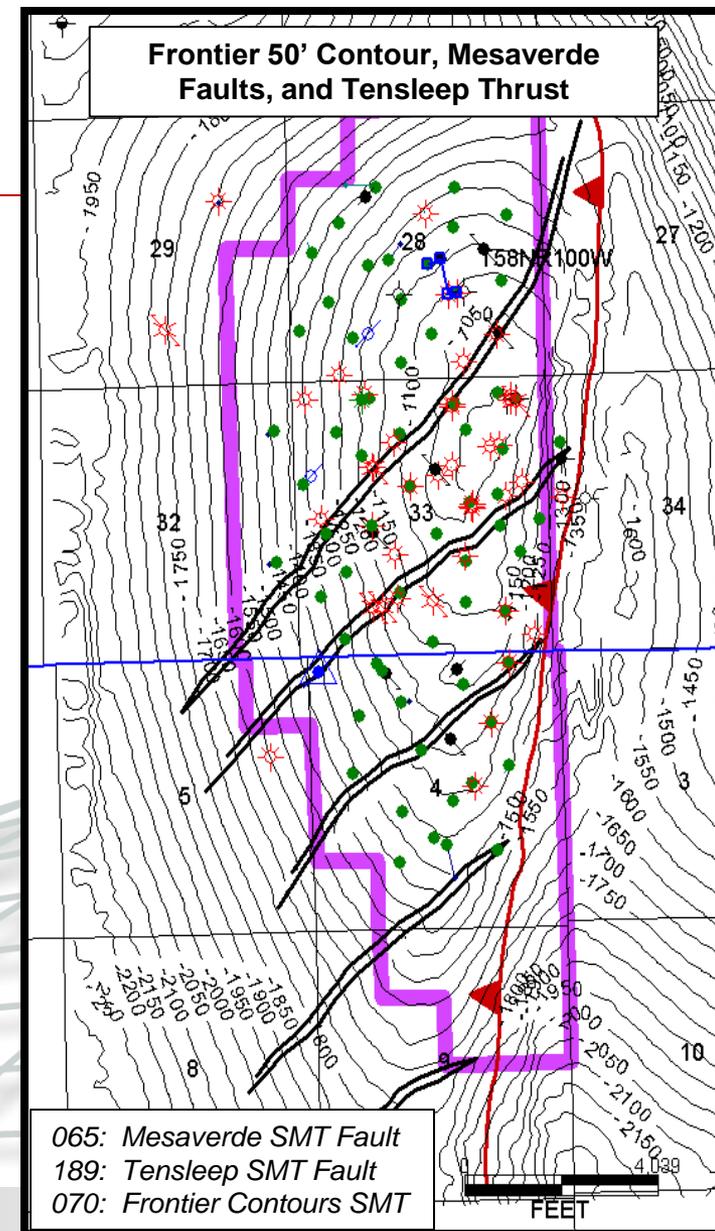


- Stacked pay in multiple zones (1500-9000 ft)
- Proven production from 6 different formations (Oil ● and Gas ●)
- Oil and gas generated from several different source rocks (●)

Formation	Approx Measured Depth (ft)
Lance	1500
Meeteetse	2000
Mesaverde	3000
Frontier	6000
Tensleep	8600
Madison	9000

# Geologic STRUCTURE

- Part of a larger anticlinal structure which culminates east of Silver Tip – Elk Basin Field
- A large west dipping thrust fault forms the eastern boundary of the oil field – all production in Silver Tip has come from the west side of this fault
- NE-SW trending normal faults were cause by tension during and after uplift of the anticline
- Large scale normal faults are not seen on seismic in the deeper Tensleep and Madison formations



# Tangibles AND INFRASTRUCTURE

- Compressor station
- Hydrocarbon liquids extraction plant
- Field office & fully tooled workshop
- 12 miles of gathering infrastructure – pipeline



# New Project STRATEGY

- Retain existing low cost profitable oil fields for cash flow to support core operations and overheads
- Commence development of Silver Tip asset to increase production, reserves and profit
- Identify and purchase another long life, profitable oilfield with development potential
- Continue to maintain positive cash flow investing surplus funds into new drilling opportunities
- Utilize low cost US debt capital responsibly to grow the company
- Increase cash flow and pay down debt
- Generate value to investors through increased share price

# Thank you – QUESTIONS?

