

ASX Announcement/Media Release

1 April 2016

2015 FINANCIAL STATEMENTS

Incremental Oil and Gas Ltd. (ASX - IOG) has filed its audit annual accounts for the year ending 31 December 2015.

Highlights from this report are:

Operational -

- Year-end proved reserves of 1.73 million BOE representing an increase of more than 4x from the prior year-end proven reserves balance;
- Production for 2015 of 161,478 BOE representing an increase of 116% from the prior year;
- Purchase of the Silvertip Field in June 2015 which has enhanced value for the company and provides significant development opportunities for Incremental in 2016 and 2017.

Financial -

- Positive EBITDA⁽¹⁾ of \$189,000 for the year, maintaining for the fourth year running a positive result of this earnings measure, despite oil and gas prices decreasing;
- Net loss after tax of \$2.73M which included non-cash expenses of \$879,000 from impairment and \$1,828,000 from amortisation and depreciation charges.

Corporate -

- Silvertip Field acquired in June 2015 which has increased cashflow and created growth opportunities for the company;
- Ongoing support from the Company's bankers which provided finance to acquire the new Silvertip asset.

ENDS

1. EBITDA is a non-IFRS measure. The information is unaudited but is extracted from the audited financial statements. EBITDA excludes impairment, amortisation, depreciation, interest and corporate tax. EBITDA is used as the key performance indicators by management as it represents a more accurate measure of cash flow.

About the Company:

Incremental Oil and Gas Ltd is an USA onshore focused oil and gas development & production company. Its 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.

Incremental's primary focus is field development & production, with a strong emphasis on generating cash flow. 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 NRIs between 78.5 - 87.5%.

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