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**ASX Announcement/Media Release**

**26 September 2016**

### **CANARY NETWORKS INVESTOR FORUM PRESENTATION**

Incremental Oil and Gas Limited ([ASX: IOG](#)) advises that John Whisler, Managing Director will be making a presentation to the Canary Networks Investor Forum in Sydney on Thursday 29<sup>th</sup> September. The Company presentation is attached.

**ENDS**

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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%.



# Investor Presentation

September 2016



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# Business Strategy

Experience has taught us that mature, long-lived oil and gas assets provide the best opportunities for dependable value. We focus on assets with optimization upside, recompletion potential, and exploration opportunities. Growth of reserves enhance investor value.

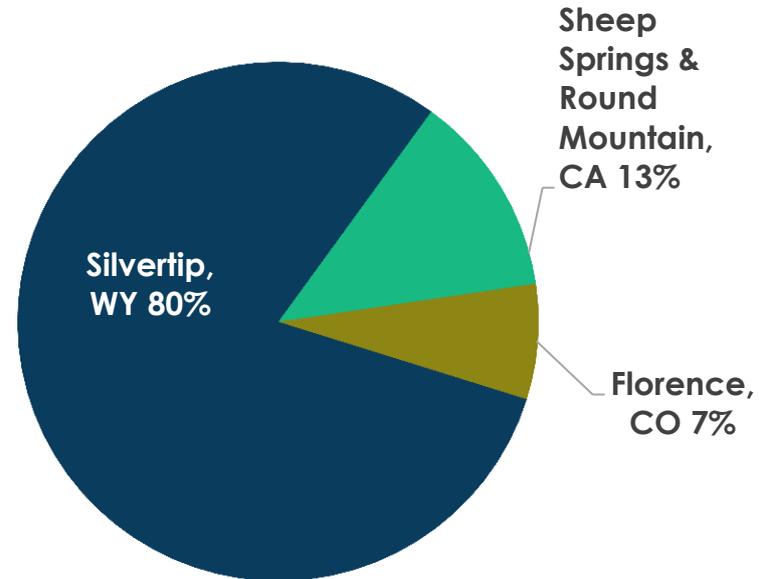


# The Assets

## Western United States

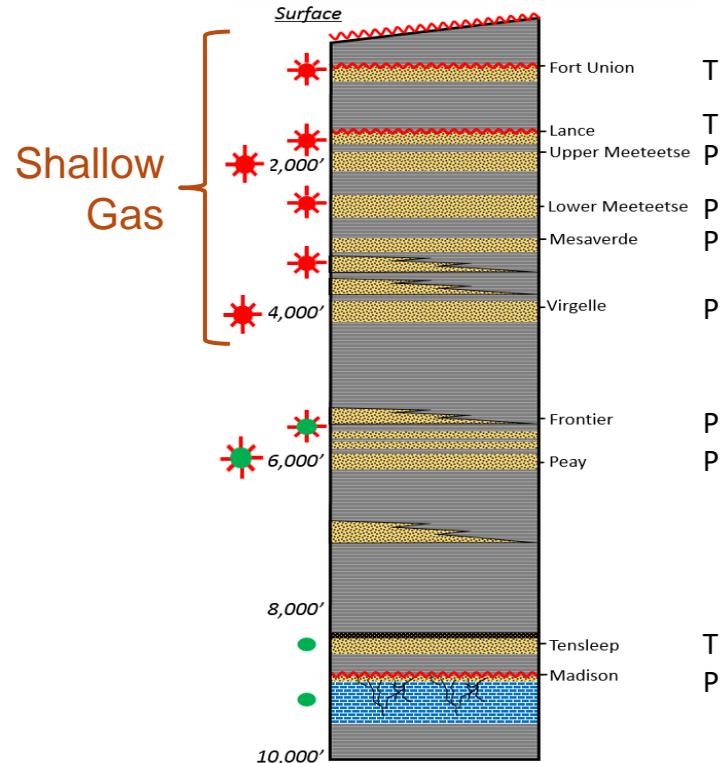


## 750 BOEPD: Percentage by Field



# Stack Pay Development Silvertip

- 10 stacked formations
  - 6 shallow gas
  - 4 oil/NGLs/gas
- Currently producing from 7 formations
  - 2017 test remaining 3 formations
- Targeting 3+ BCFG in 2016 recompletions



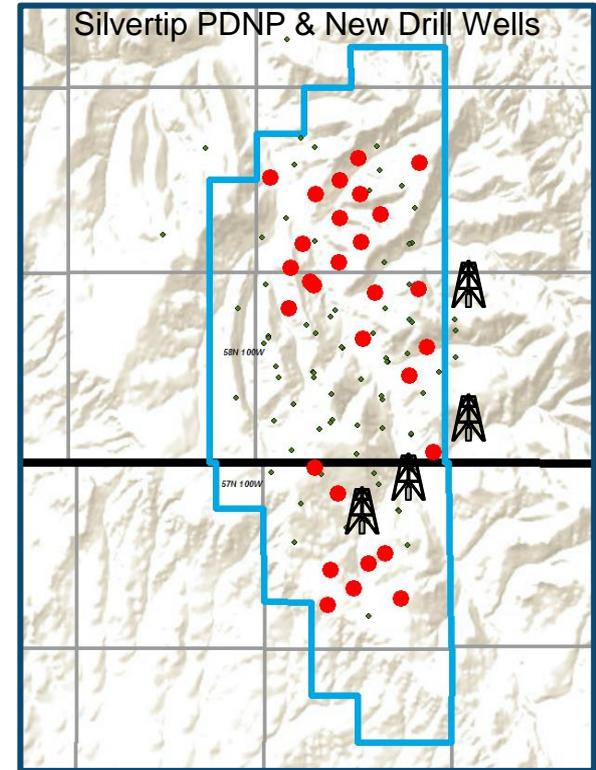
# Targeting 3+ BCFG 2016

- Original Reserves EUR of 125 MMCF/well (independent party reserve report as of Jan. 2016)
  - ~ 100-150 MCFd IP
  - US\$7 million future net cash flow
- **Recent Recompletion: 1.2 MMCFd IP** from 42-4F shallow gas formations (September 2016)
  - Payout less than 3 weeks (< \$35K CAPEX)
  - Infrastructure in place – immediate cash flow
- 15 additional recompletions planned targeting shallow gas in Q4-2016
  - Additional recompletions to be performed in 2017

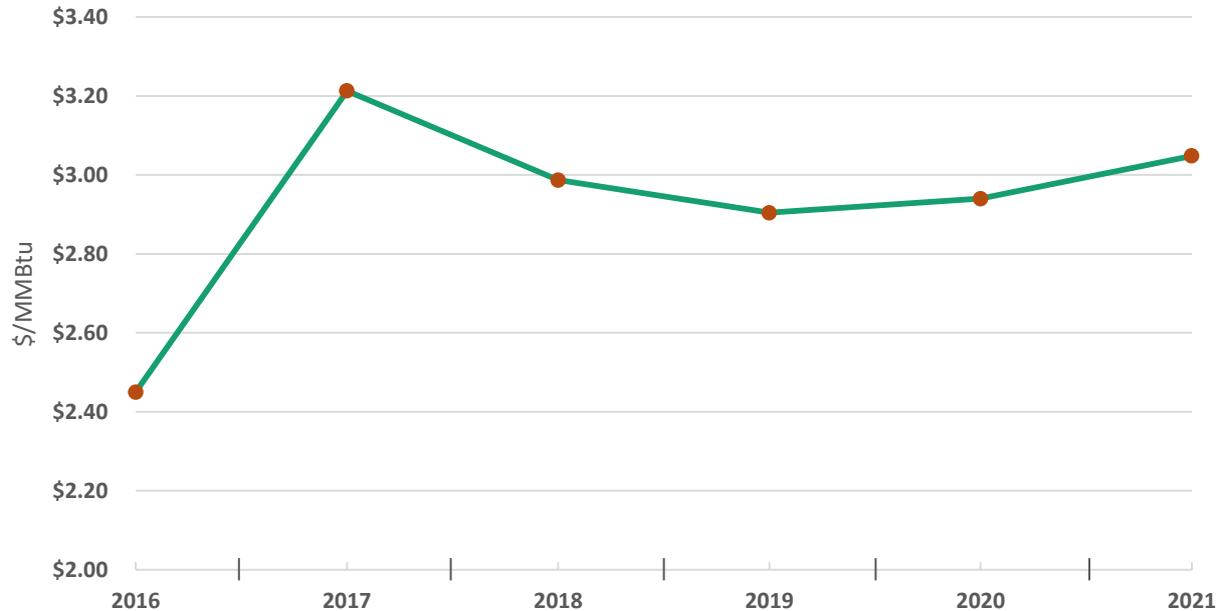


# Stack Pay Development 2017

- Explore development potential in unproven stacked pay formations in current wellbores
  - Lance
  - Ft. Union
- Recomplete wells in proven shallow gas formations in current wellbores
  - Meeteetse
  - Mesaverde
  - Virgelle
- Drill 4 wells to further develop stacked pay step outs
  - 2 wells permitted
  - 2 wells identified – permitting in progress



# Gas Price Outlook



\*NYMEX Natural Gas forward curve from August 1, 2016

# Growth Strategy

- ✓ Stage 1 – Optimized and streamlined legacy assets to **190 BOEPD**
- ✓ Stage 2 – Acquired Silvertip – increased company production to **~540 BOEPD**
- ✓
  - Phase I Workover Program – increased company production to **~750 BOEPD**
  - Phase II Workover Program – projected company production to **~1,000 BOEPD**

## *In Progress*

- Stage 3 – Acquire asset with target of 800+ BOEPD – projected company production to **1,800 BOEPD**
  - Implement development program – projected company production to **2,100 BOEPD**
- Stage 4 – Acquire mid-sized exploration/development asset
  - Implement intensive drilling campaign
  - Target company production **5,000 BOEPD** (oil weighted)
  - Begin distribution of dividends

# Actively Growing Asset Portfolio

- Acquire assets that represent significant value
  - Vast U.S. industry network
  - Intimate knowledge of the U.S. oil and gas industry
  - Skilled negotiations with proven success
- Reputation for extensive due diligence to purchase the right asset
- Review several deals per week
  - Currently performing due diligence on multiple opportunities

# Corporate Overview



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# Oil & Gas Experts

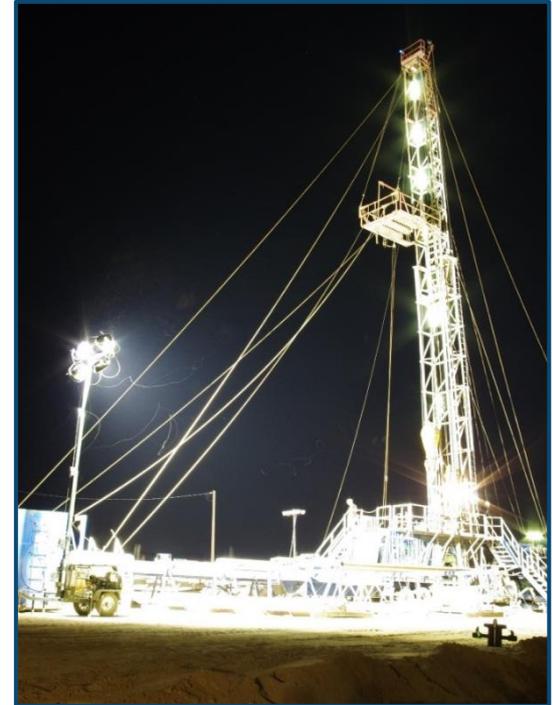
- Optimize and exploit **long-lived, conventional onshore US** oil and gas fields
- Strong technical team with engineering, geology, land, legal, and financial expertise
- Extensive experience in **6 U.S. basins** with over 200 wells drilled and completed
- Total Management industry experience over **70 years**
- Total non-executive director experience over **75 years**



***The best places to exploit oil and gas are in fields where it's already been found.***

# Dedicated to Investor Value

- Ambitious U.S. team dedicated to:
  - Acquiring low-risk unidentified-value oil and gas assets at competitive prices
  - Increasing profitability and value from the assets
  - Growing reserves through a combination of recompletions and the drill bit
- Implemented strategies for **company growth and long-term success**
- Utilize conventional low cost U.S. bank debt as part of funding strategy for growth



# We Create Value

- Focus on low-cost, high-return opportunities
- Acquire fields below fair market value
- Focused investment is used to increase company value

**Silvertip, WY**  
Purchase, workovers,  
and re-completions



**2015 Combined  
1P Reserves:  
467 MBOE**

**2016 Combined  
1P Reserves:  
1730 MBOE**

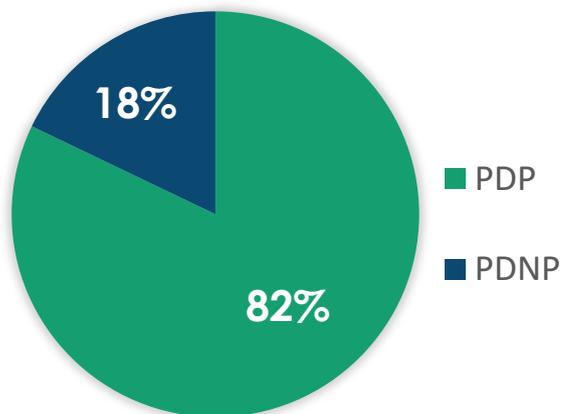


# Track Record of Success

- Significant experience in building successful ground floor E&P companies
- Design, develop and divest of exploratory and mature fields
- Achieved high return on investments
  - 2.30 ROI for mature oil field; sold for \$42 million
  - 2.81 ROI for 140 well exploratory field; sold for \$220 million
  - Exceptional ROI for corporation; sold for \$170 million after 3 years
  - High ROI on exploratory field; sold for \$90 million
  - 1.0 ROI on international oil field (Turkey) with ~8% dividend yield; sold for A\$80 million

# Reserves and Production

## NET Total 1P Reserves by Category Effective January 1, 2016



	MBOE	SS & RM	Florence	Silvertip	Total
Proved Developed Producing (PDP)		336	122	962	1,420
Proved Developed Not Producing (PDNP)		-	-	309	309
<b>Total 1P Reserves</b>		<b>336</b>	<b>122</b>	<b>1,271</b>	<b>1,729</b>

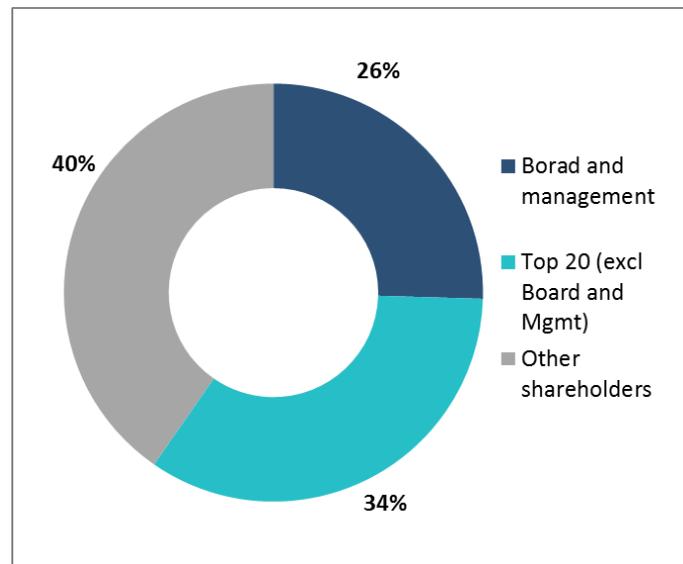
# Market Summary

## Capital Market Summary

Exchange: trading symbol	ASX: IOG
Share Price (22 Sept 2016)	A\$0.042
Market Capitalization	A\$8M US\$6M
Ordinary shares on issue <sup>1</sup>	201,834,580
Options on issue <sup>2</sup>	5,400,000

1. Shares on issue after allotment of all shares from August Placement
2. 5,000,000 exercisable at A\$0.1485 before 27 July 2018 and 400,000 exercisable at A\$0.07 before 26 May 2017

## Shareholder Distribution



# Financial Summary

Per BOE <sup>1</sup> (H1 2016)	Revenue <sup>2</sup>	Royalties and Prod'n tax	Field Operating Costs <sup>3</sup>	Netback/ Gross Profit Margin
Silvertip, Wyoming	\$17	(\$6)	(\$6)	\$5 / 30%
SS <sup>4</sup> & RM <sup>4</sup> , California	\$35	(\$10)	(\$8)	\$18 / 50%
Florence, Colorado	\$32	(\$10)	(\$11)	\$11 / 34%

Revenue and expenditure in the table above relates to the period from January to June 2016

1. Barrel of Oil Equivalent (BOE) assumes conversion of gas at a rate of 6Mcf of gas to 1 Bbl Oil and 42 gallons of NGL to 1 Bbl Oil
2. Avg. price received per barrel of oil or barrel of oil equivalent after refinery marketing deduction
3. Silvertip operating costs per barrel based on BOE across oil, natural gas and natural gas liquids
4. SS - Sheep Springs field; RM - Round Mountain field

# Experienced Leadership – Board & Team

## Mark Stowell

Non-Exec Chairman  
B.Bus C.A.



A chartered accountant and corporate finance background and has been involved in public company management for over 20 years including significant experience in the natural resources and energy sectors. Founder and director of Incremental Petroleum, second largest oil production company in Turkey through to takeover by US based oil company.

## John Whisler

Managing Director  
B.Sc. Eng/PSY



More than 25 years experience in the U.S. oil and gas industry with a broad range of skills including drilling and completions engineering, exploration and field development, strategic business planning, and extensive A&D knowledge. Extensive hands on field experience prior to becoming VP of Operations at Petrogulf (2001-2008) and CEO of Delek Energy (2008-2011).

## Gerry McGann

Non-Exec Technical  
Director  
B.Sc. (Hons)



Over 40 years experience in the upstream oil and gas industry as a petroleum geologist. With Occidental Petroleum, he increased production in Oman from 32K to 52K BOPD in 3 years. He was a founder and Managing Director of Incremental Petroleum, where he managed the second largest oil production company in Turkey.

## Matt McCann

Non-Exec Director  
J.D.



More than 20 years of experience in the legal and energy sectors. He was Senior VP at Sandridge Energy (2005-2007) and CEO of Transatlantic Petroleum (2009-2011). He led Transatlantic from a junior explorer to a significant international producer in 2 years.

# Experienced Leadership – Board & Team

## **Simon Adams**

CFO/ Co. Sec.  
B.Bus., M. Acc.



Over 20 years of experience with multiple ASX listed companies in various sectors including energy, agribusiness, resources and property. Part of management team responsible for significant business growth and diversification of public companies.

## **Jennifer Cadena**

VP Land and Legal  
J.D.



Extensive experience aiding international companies develop U.S. assets. She has considerable legal experience in the oil and gas sector in the areas of contracts, land use, regulatory, administrative proceedings and litigation.

## **Will Duggins**

Senior Geologist  
B.Sc., M.S. Geo



Considerable geological experience in petrophysical analysis, sequence stratigraphy, seismic interpretation, core interpretation, and production integration with geological models.

## **Bill Woodward**

Comptroller  
B.Sc.B.A. Econ & Mgmt



More than 25 years experience in oil and gas financials, with emphasis in accounting, regulatory and tax compliance. He has considerable experience in Federal and Indian production reporting, division orders, and is skilled with modern accounting software packages.

# Contacts



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