



# Investor Presentation

April 2016

ASX: IOG

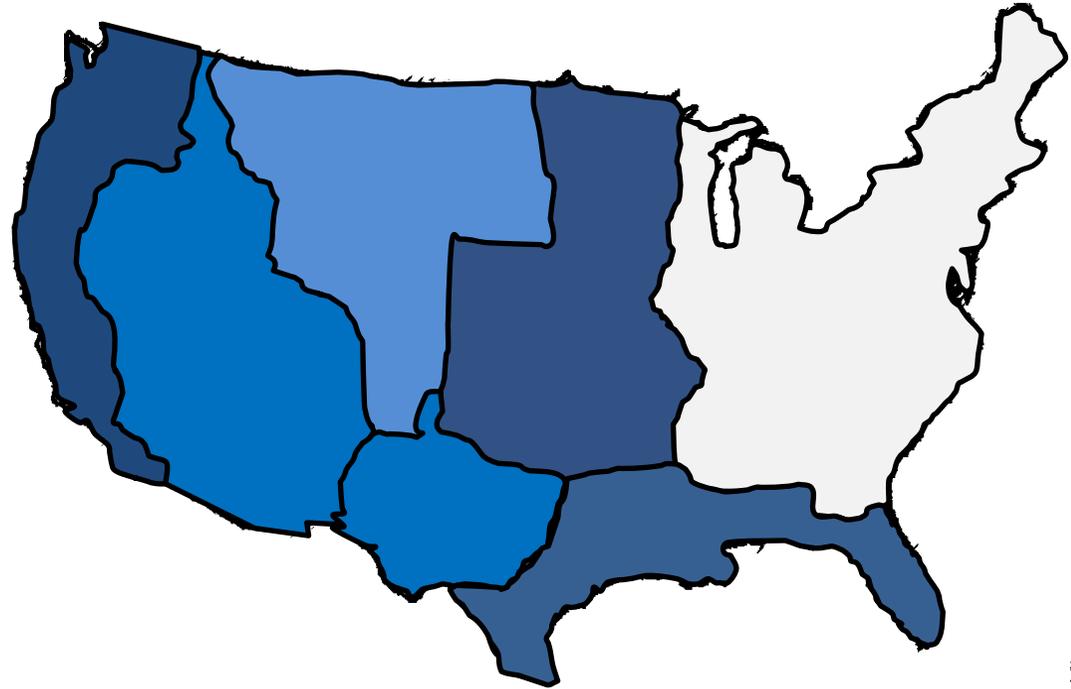
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**incremental**  
OIL AND GAS  
LTD

The logo for Incremental Oil and Gas Ltd features the company name in a bold, sans-serif font. Below the name, there is a graphic element consisting of a series of parallel lines that create a sense of depth and perspective, resembling a stylized horizon or a grid.

# We are **OIL AND GAS EXPERTS**

- Optimize and exploit **long-life, 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
- Average industry work experience over **20 years**



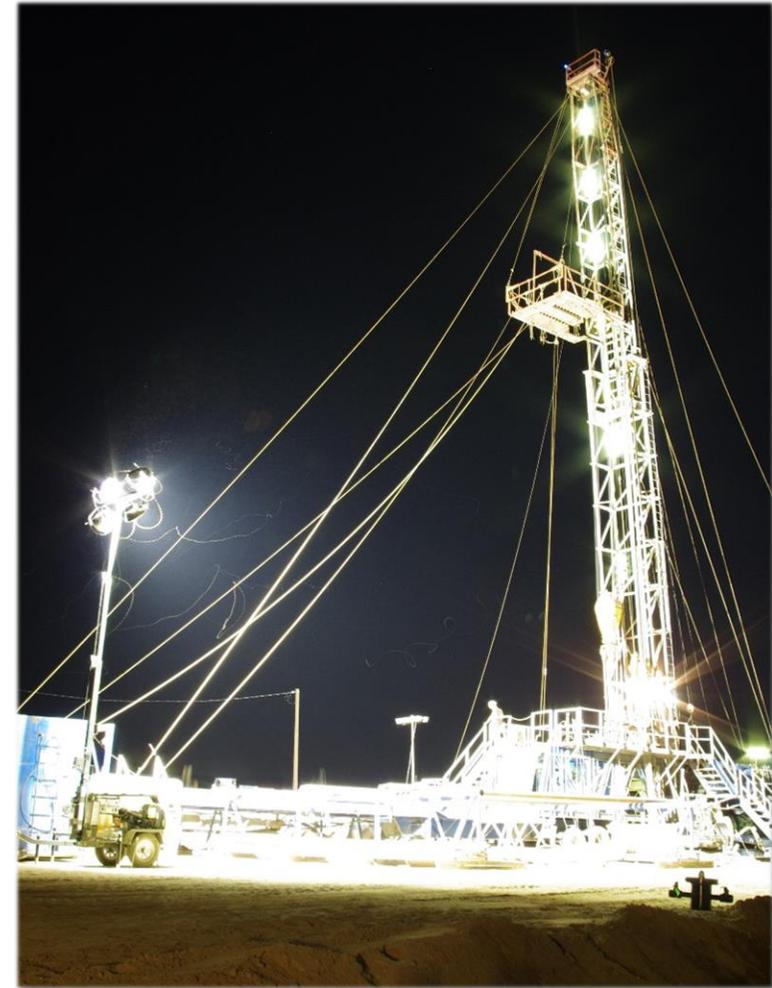
***The best places to exploit oil and gas are in fields where it's already been found.***

# We have a **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 consistent 8% dividend yield; sold for \$80 million

# We are **DEDICATED TO INVESTOR VALUE**

- Ambitious U.S. team dedicated to:
  - Acquiring **low-risk high-value** oil and gas assets below market value
  - Increasing profitability and value from the assets
- Implemented strategies for **company growth and long-term success**
- Achieved **positive US\$ cash flow** despite low commodity prices
- Utilize **low cost U.S. debt** (Line of Credit) as part of funding strategy for growth



# We are **COMMITTED TO FINANCIAL DISCIPLINE**

- Low-cost operator **focused on the bottom line**
- Continuously reduce LOEs and overhead by eliminating unnecessary operating expenses regardless of commodity price
- Significantly minimize workover and development costs based on extensive operations experience

# We are **SELECTIVE BUYERS**

- Execute acquisitions **below fair market 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**
- Review multiple deals per month



# We **CREATE VALUE**

- Exploit assets too expensive for other companies to develop
- Focus on low-cost, high-return opportunities bypassed by predecessors
- We increase company value with minimal investment

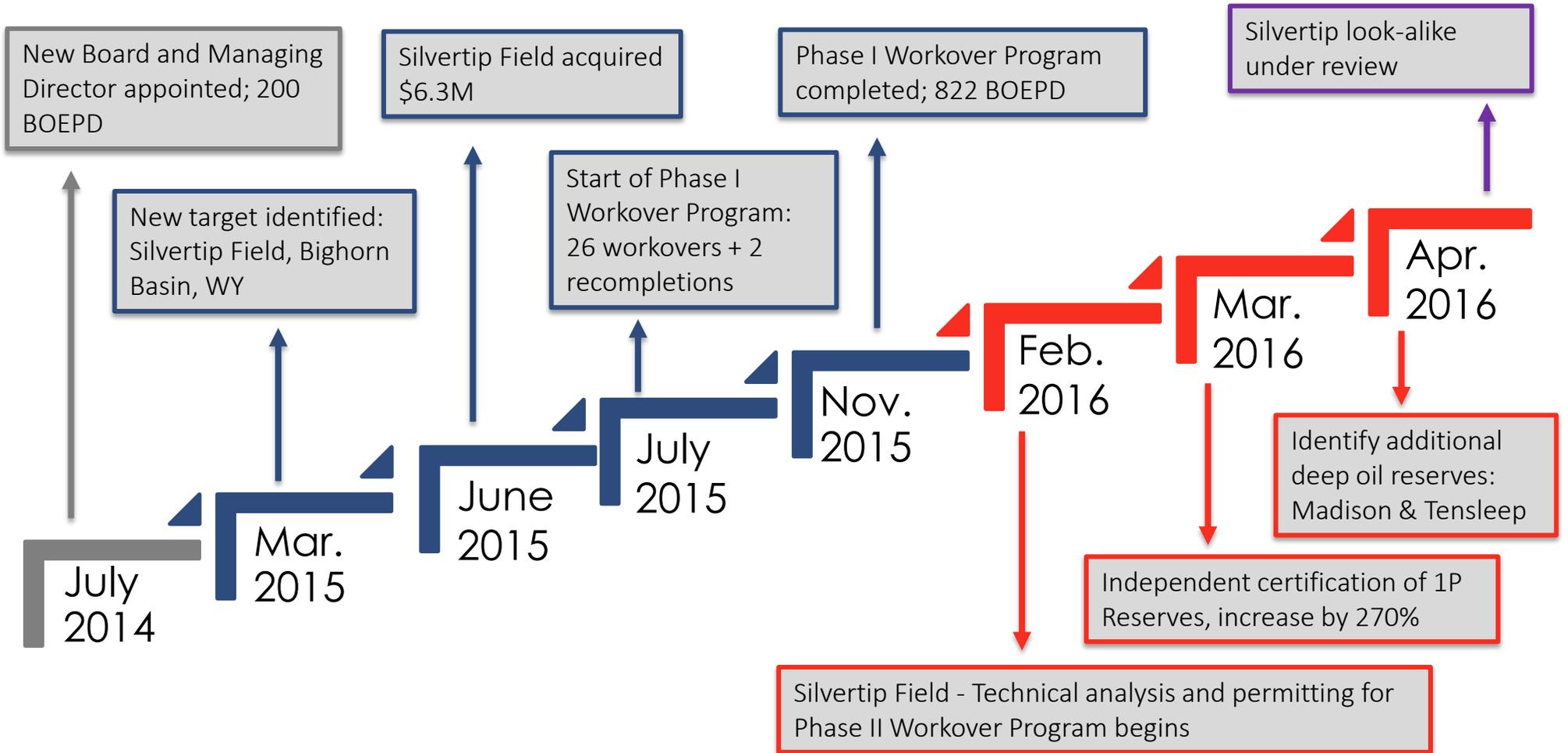
**Silvertip, WY**  
Purchase, workovers,  
and re-completions

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

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

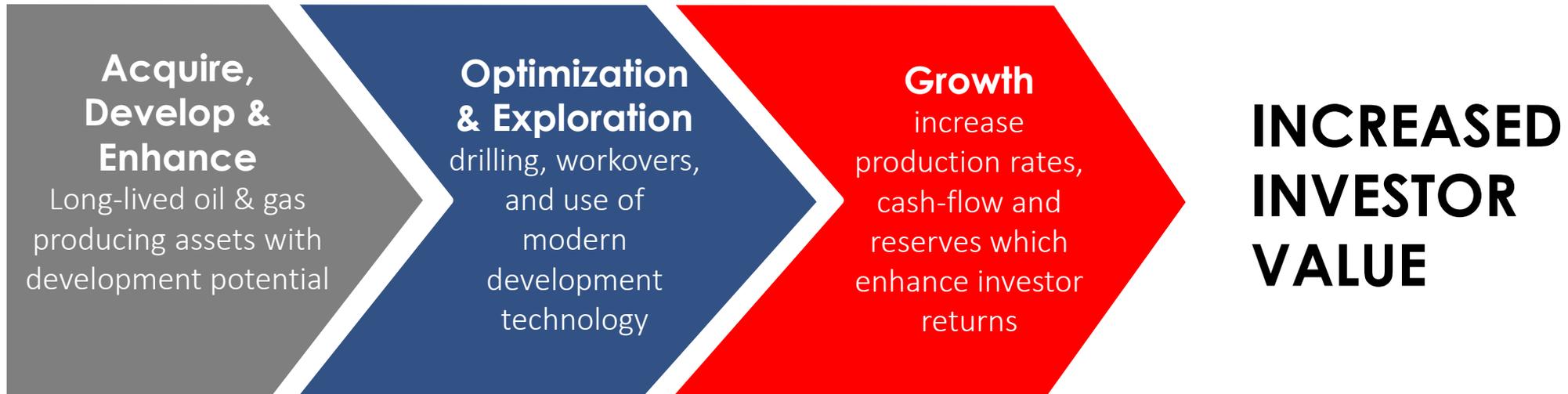


# We are the **NEW INCREMENTAL**



# 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 bypassed development potential and optimization upside. Growth of reserves enhance investor returns through distribution of dividends.



# 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 **~800 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

# The Assets



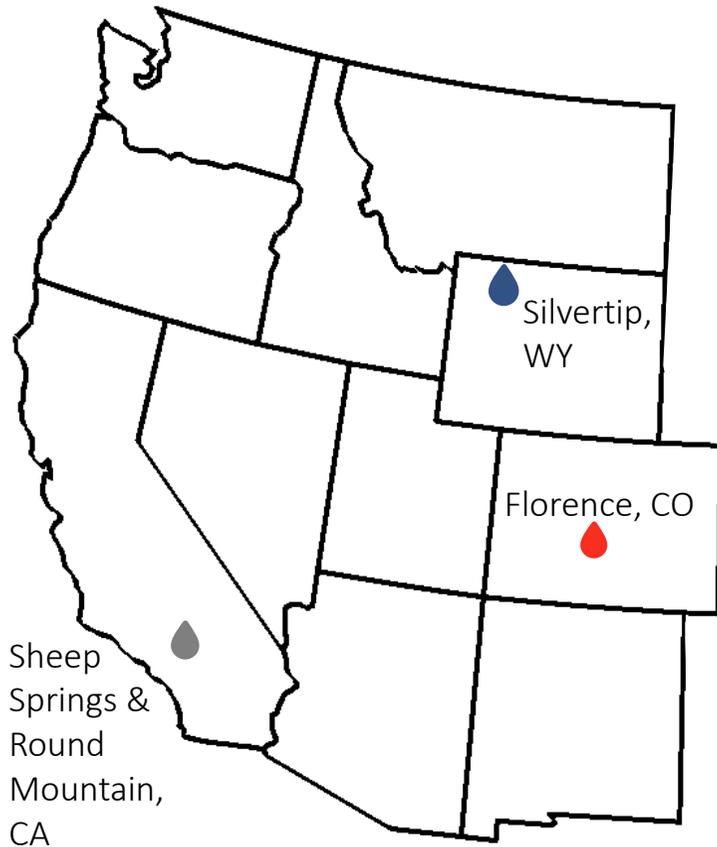
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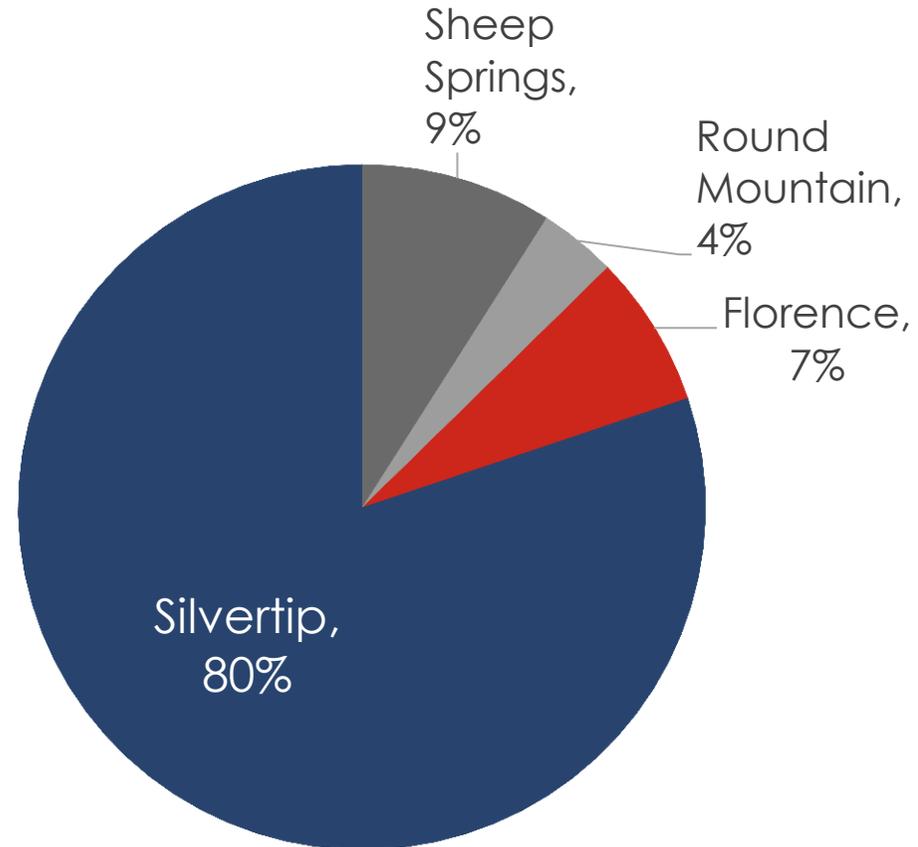
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# The **ASSETS**

## Western United States



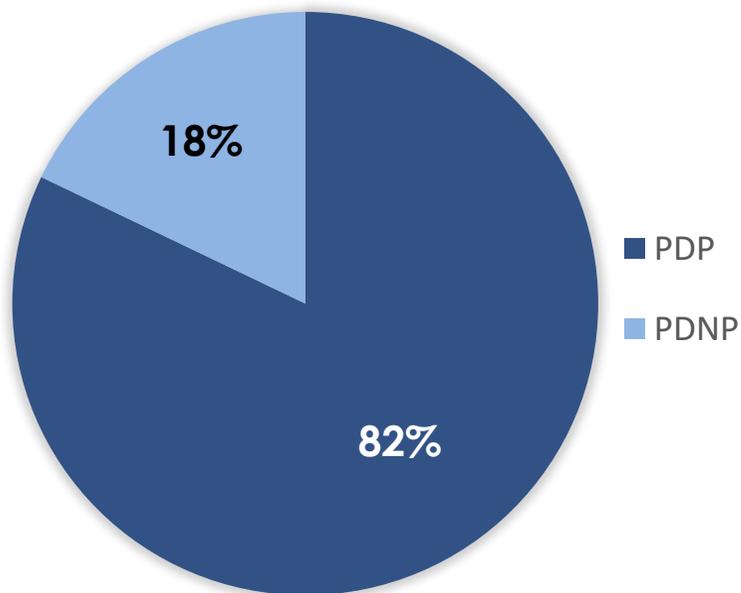
## 822 BOEPD: Percentage by Field



# 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>

# Legacy **ASSETS**

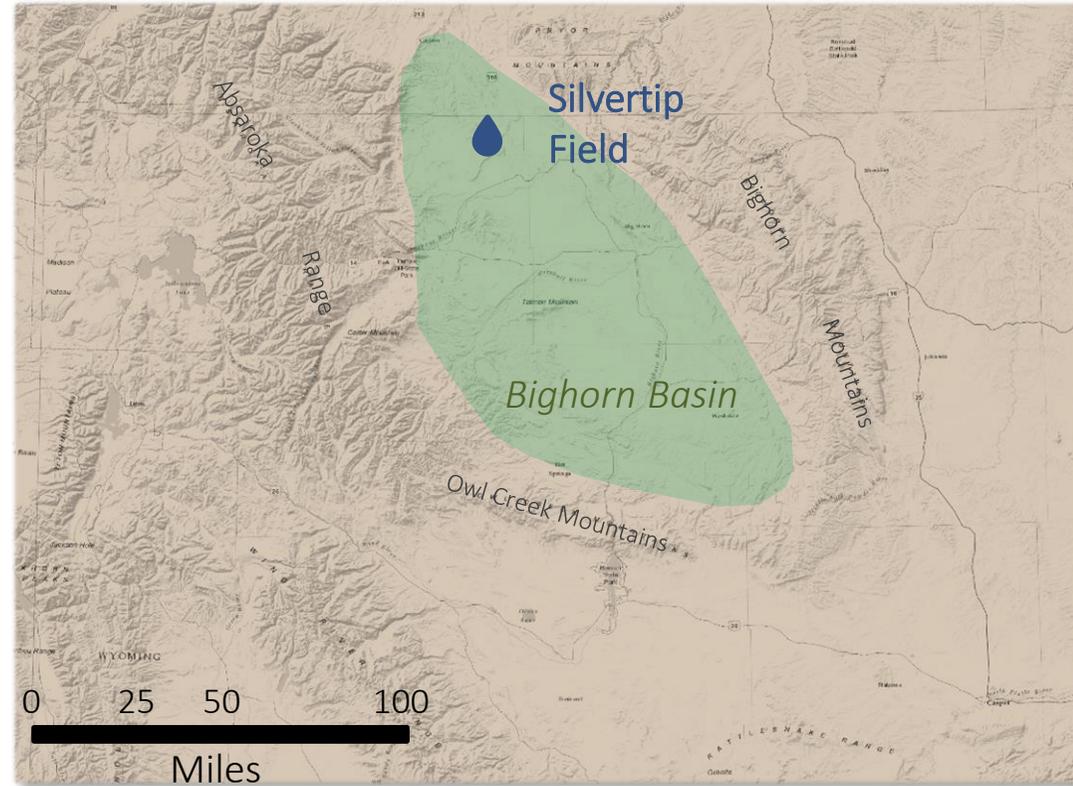
Fields	Gross Production (From purchase to December 31, 2015)	Net Sales <sup>1</sup>
Sheep Springs, CA	244,509 Bbls Oil 35,880 BOE Gas	\$18.5 million
Round Mountain, CA	112,464 Bbls Oil	\$9.2 million
Florence, CO	211,600 Bbls Oil	\$13.3 million

Assets provide stable cash flow with low production decline rates and low lifting costs

1. Net Sales is NRI after refinery charges and royalty

# SILVERTIP Asset

- Flagship asset with 4,820 acres HBP
- 107 wells, gathering system, and gas processing plant
- Purchase Price: \$6.3 million in Jun-15
  - Value equivalent to \$17,500 MBOE per flowing barrel
  - Compared to market average of \$40,500 MBOE per flowing barrel<sup>1</sup>
- Q4-15 Average Daily Production: 659 BOEPD
- Multi-stack pay: oil, gas, and NGLs<sup>2</sup>
- 3D Seismic: 14.8 square miles (9,500 acres)

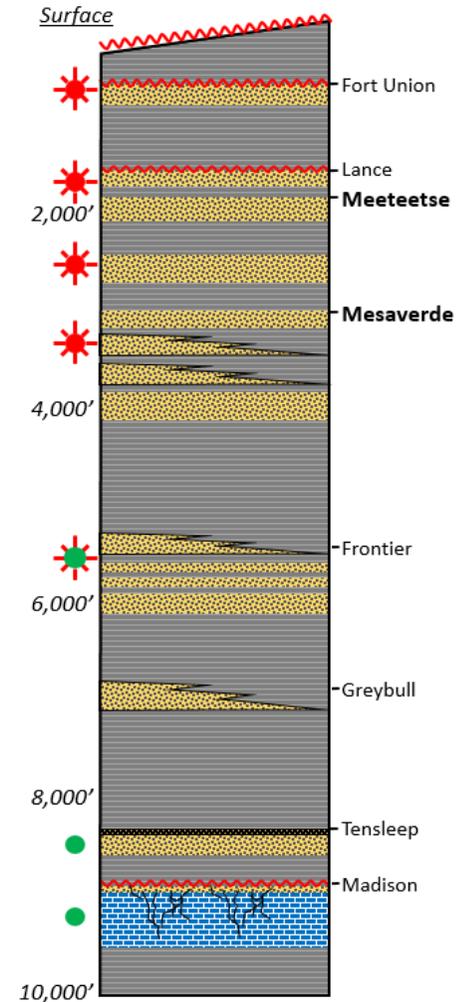


1. E-Spectrum Advisors LLC June and July 2015 average M&A Activity Report
2. NGLs – Natural Gas Liquids

# Silvertip **DEVELOPMENT PLAN**

- Technical evaluation and permitting of **Phase II Workover Program**
  - 24 shallow gas wells (Meeteetse and Mesaverde formations)
  - 3.1 BCFG recoverable (independently assessed)
  - \$7.1 million future net cash-flow<sup>1</sup>
  - \$1.0 million CAPEX – 6.14 ROI
- Development of Madison and Tensleep oil reservoirs
  - Re-entry and deepening of 62-33F to Madison and Tensleep
  - Permitting Madison and Tensleep oil wells
  - Remaining recoverable oil-in-place under review

1. Based on forward strip pricing for WTI oil and NYMEX gas in effect 01-Jan-2016



# Corporate Overview



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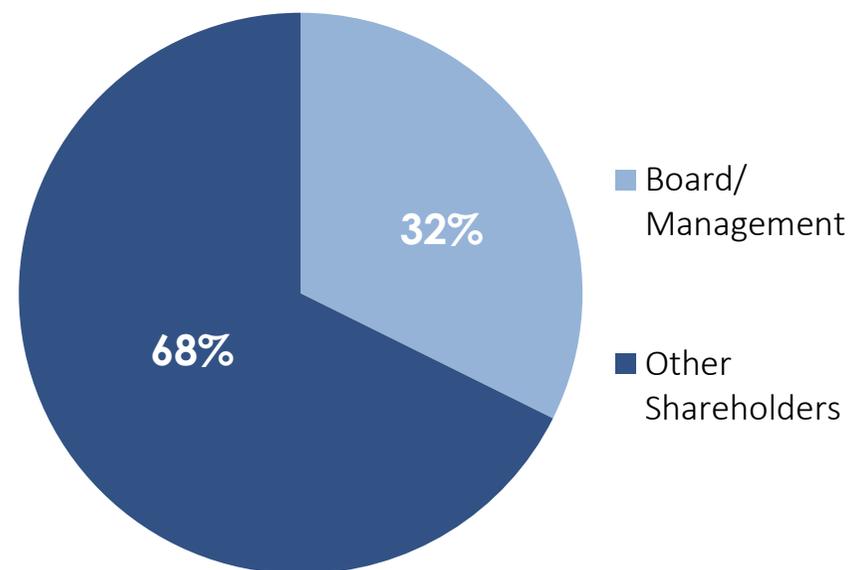
# INCREMENTAL Overview

## Capital Market Basics

Exchange: trading symbol	ASX: IOG
Share Price (___ April 2016)	A\$0.085
Market Capitalization	\$14M
PV <sub>10</sub> Estimate of Proven Developed Reserves (independently assessed)	\$19.325M
Proven Developed Reserves	1,729,500 BOE
Ordinary shares on issue	160,336,680
Options on issue <sup>1</sup>	5,400,000

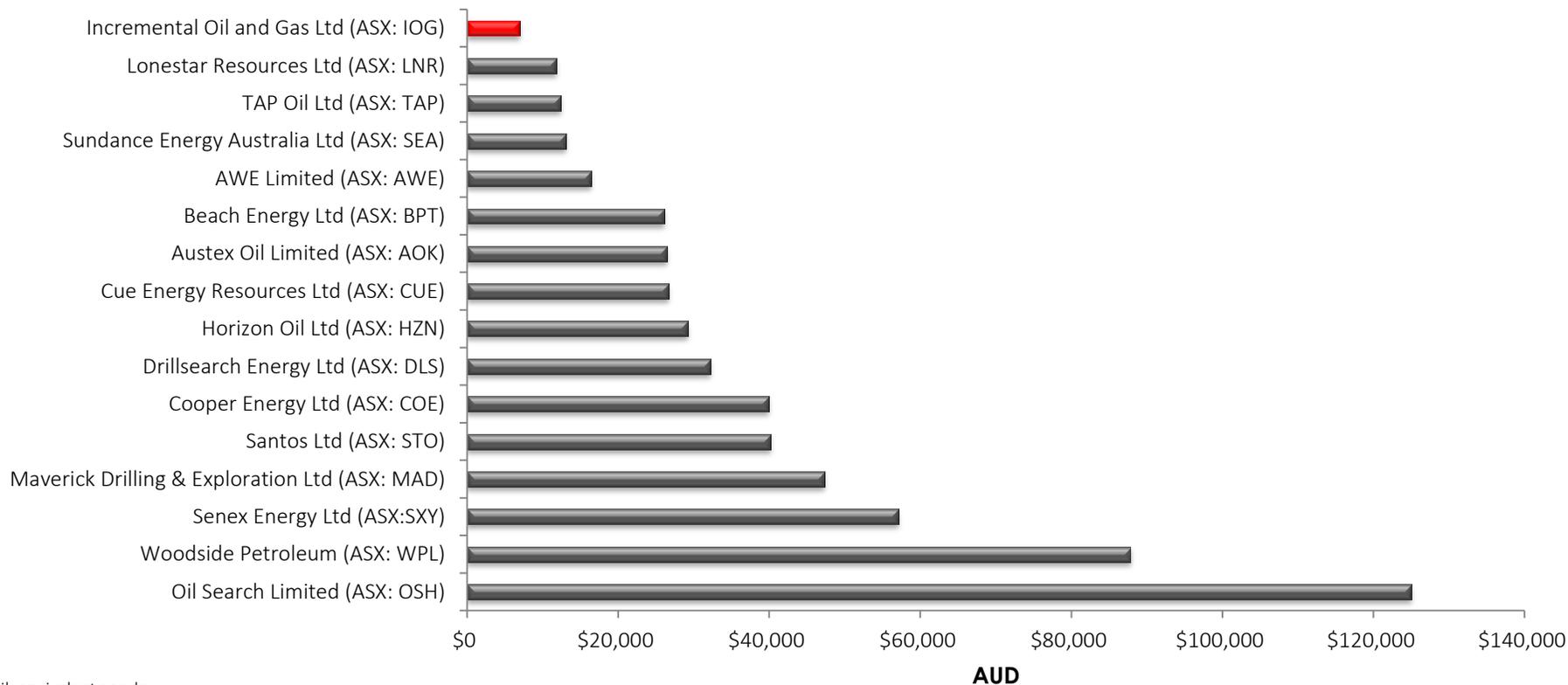
1. 5,000,000 exercisable at A\$0.1485 before 27 July 2018 and 400,000 exercisable at A\$0.07 before 26 May 2017

## Shareholder Basics



# Value Comparison – **MKT CAP: BOEPD PROD'N**

## Mkt Cap (AUD) per BOEPD<sup>1</sup> Production ASX Listed E&P Companies (Q4-15 production data, 31-Dec-15 Share Price)



1. BOEPD - Barrels of oil equivalent per day

# EXPERIENCED LEADERSHIP - Board & Team

**Mark Stowell**  
Non-Exec Chairman



Involved in public company corporate sector for over 20 years including significant IPO and merger activities in the natural resource and energy sectors. Former director of Incremental Petroleum, second largest oil production company in Turkey

**John Whisler**  
Managing Director



More than 25 years experience in the U.S. oil and gas industry with a broad range of skills including business development, project management, exploration, field production, drilling and completions. Previous VP of Operations of Petrogulf (2001-2008) and CEO of Delek (2008-2011). **Responsible for**

**Gerry McGann**  
Non-Exec Technical  
Director



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 Managing Director of Incremental Petroleum, where he managed the second largest oil production company in Turkey.

**Matt McCann**  
Non-Exec Director



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.



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



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



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

**Bill Woodward**  
Comptroller



More than 20 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.

# U.S. MANAGEMENT TEAM



# CONTACTS



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