

An oilfield scene featuring three large cylindrical storage tanks on the left, a wellhead with a rig on the right, and a mountain range in the background under a blue sky with scattered clouds. The ground is dry and dusty.

**INCREMENTAL OIL and GAS (asx: IOG)**

**EXCELLENCE in OIL &  
GAS**

**12 MARCH 2014**

[www.incremental油和gas.com](http://www.incremental油和gas.com)

# DISCLAIMER AND IMPORTANT NOTICE

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This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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



# INCREMENTAL'S BUSINESS MODEL

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- A profitable producing oil company
- We acquire underperforming oilfields and increase production
- Focus is Onshore USA
  - **Florence** producing oilfield, Colorado (100% WI)
  - **Round Mountain** producing oilfield (100% WI)
  - **Sheep Springs** producing oilfield (100% WI)
- Actively seeking Midcon projects
- We own (100% WI) and operate all of our projects

# IOG CAPITAL STRUCTURE

- Listed January 2011.
- 486 shareholders
- 156.2m shares (Directors and management 37.3%)  
97.5m unlisted options<sup>1, 2</sup>
- Market cap ~\$10 million
- US\$3m Debt
- Extracted > \$1m of costs in 2013

\$m	2010	2011	2012	2013
REVENUE	6.2	7.7	16.0	10.9
EBITDA	2.4	3.0	6.9	3.5

1. 92.5m options exercisable at A\$0.20 on or before 1 November 2014

2. 5.0m options exercisable at A\$0.1485 on or before 27 July 2018

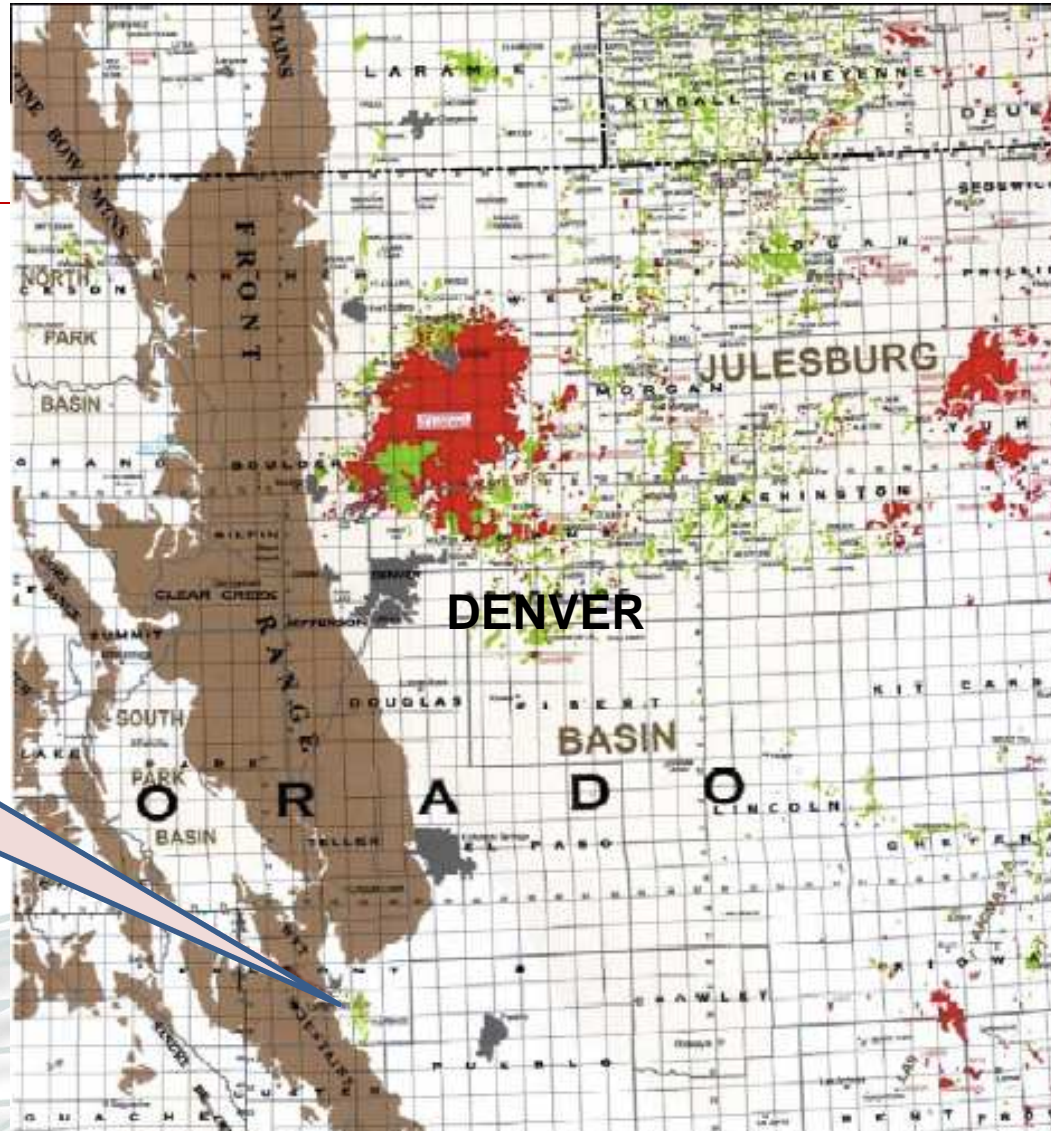
# OPERATING LOCATIONS





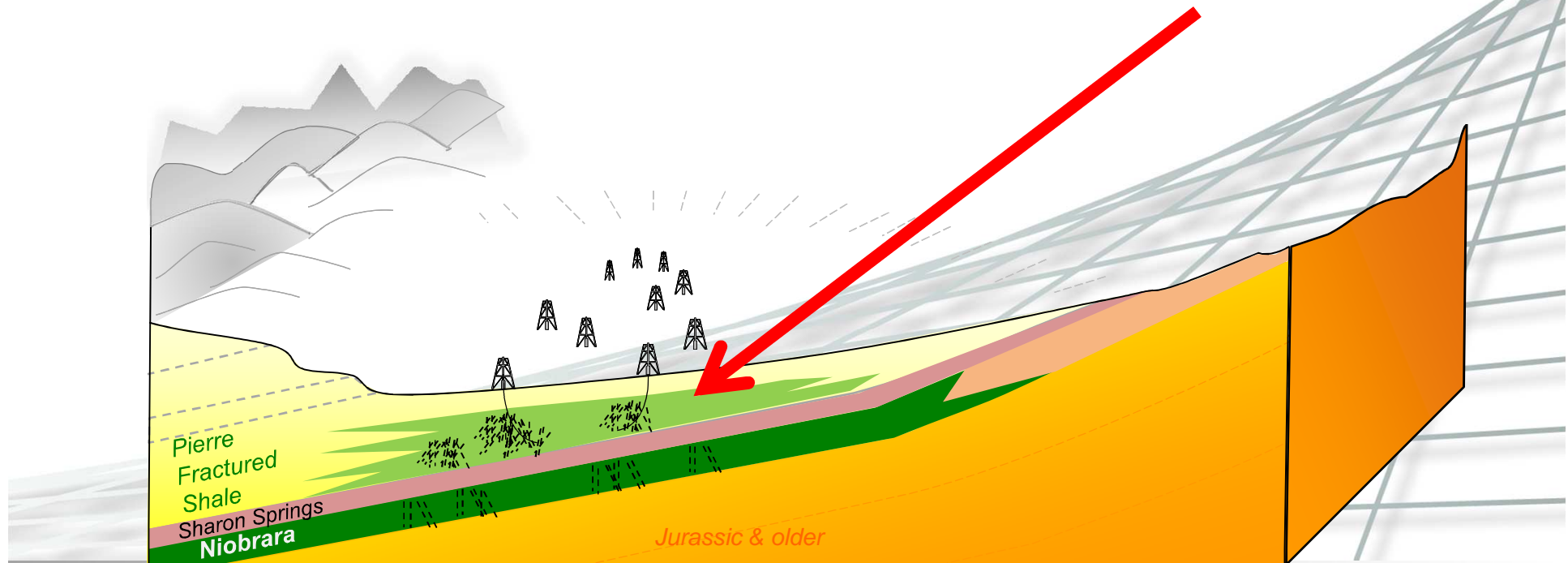
# FLORENCE, CO

FLORENCE OILFIELD



# ALL HISTORIC PRODUCTION (15 million bbl)

**SHALLOW  
FRACTURED SHALE**



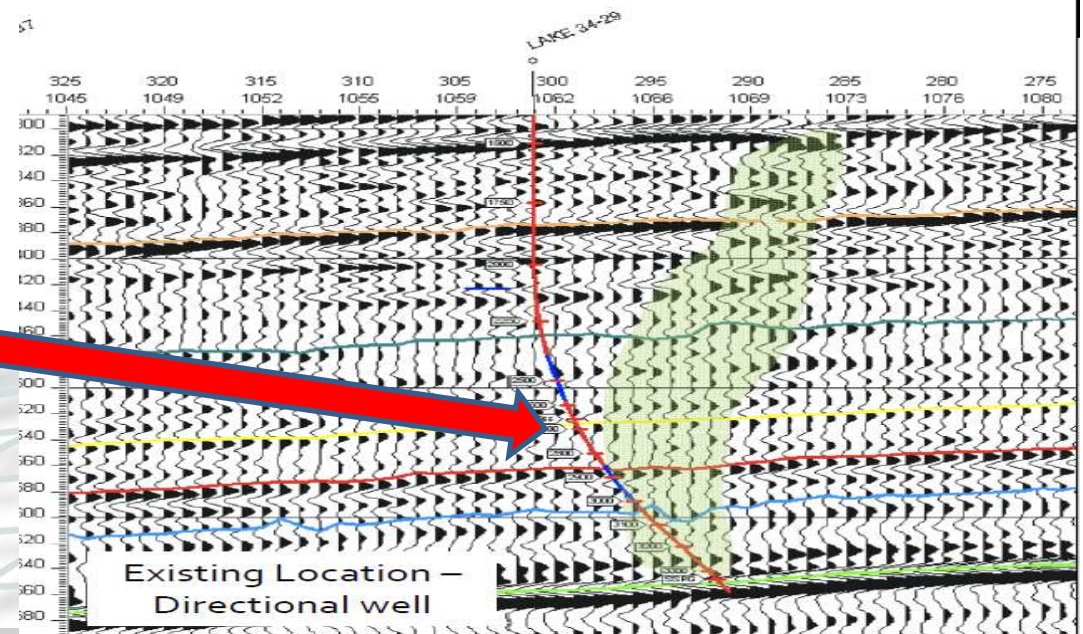
**incremental**  
OIL AND GAS  
LTD



# SHALLOW FRACTURED SHALE POTENTIAL

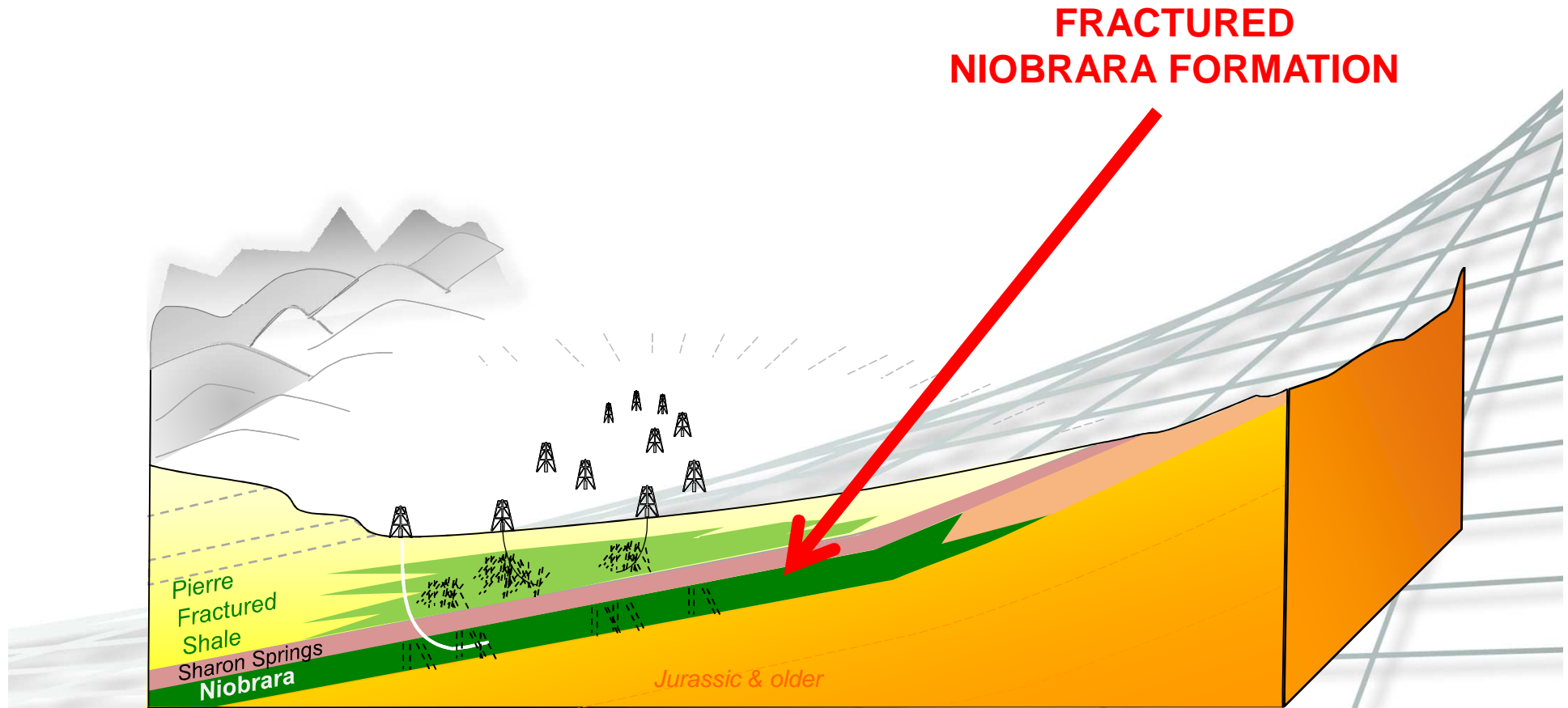
- First two IOG wells drilled are not great, but lots of potential still
- At least six drillable targets identified

Fracture zones clearly visible and mappable on seismic

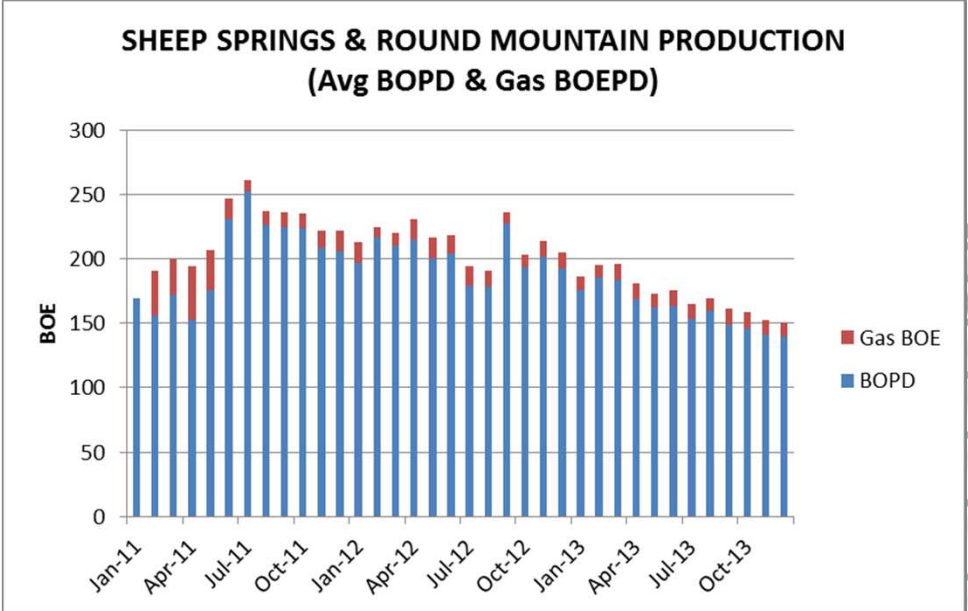




# NIOBRARA RESOURCE PLAY at FLORENCE



# CALIFORNIA PROJECTS



- Revenue (2011 TO 2013) - \$34m
- Pays all fixed costs of company

# ROUND MOUNTAIN

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Recently Re-assessed potential

Two simple workover have added 25 bopd

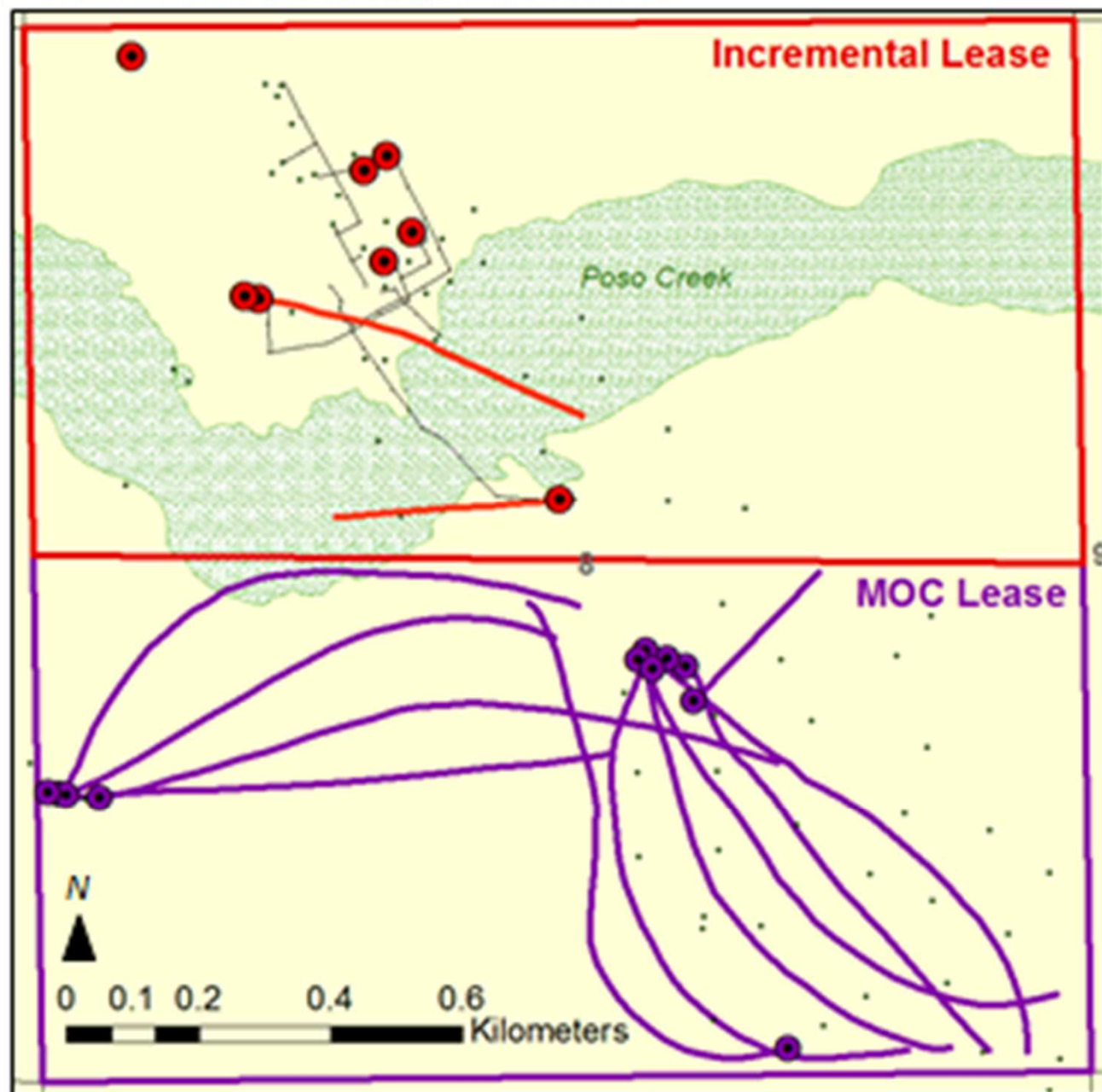
10 wells drilled on adjacent lease...all appear to be economic

Geology appears to be the same in IOG lease

Plan to drill at least two wells in 2014

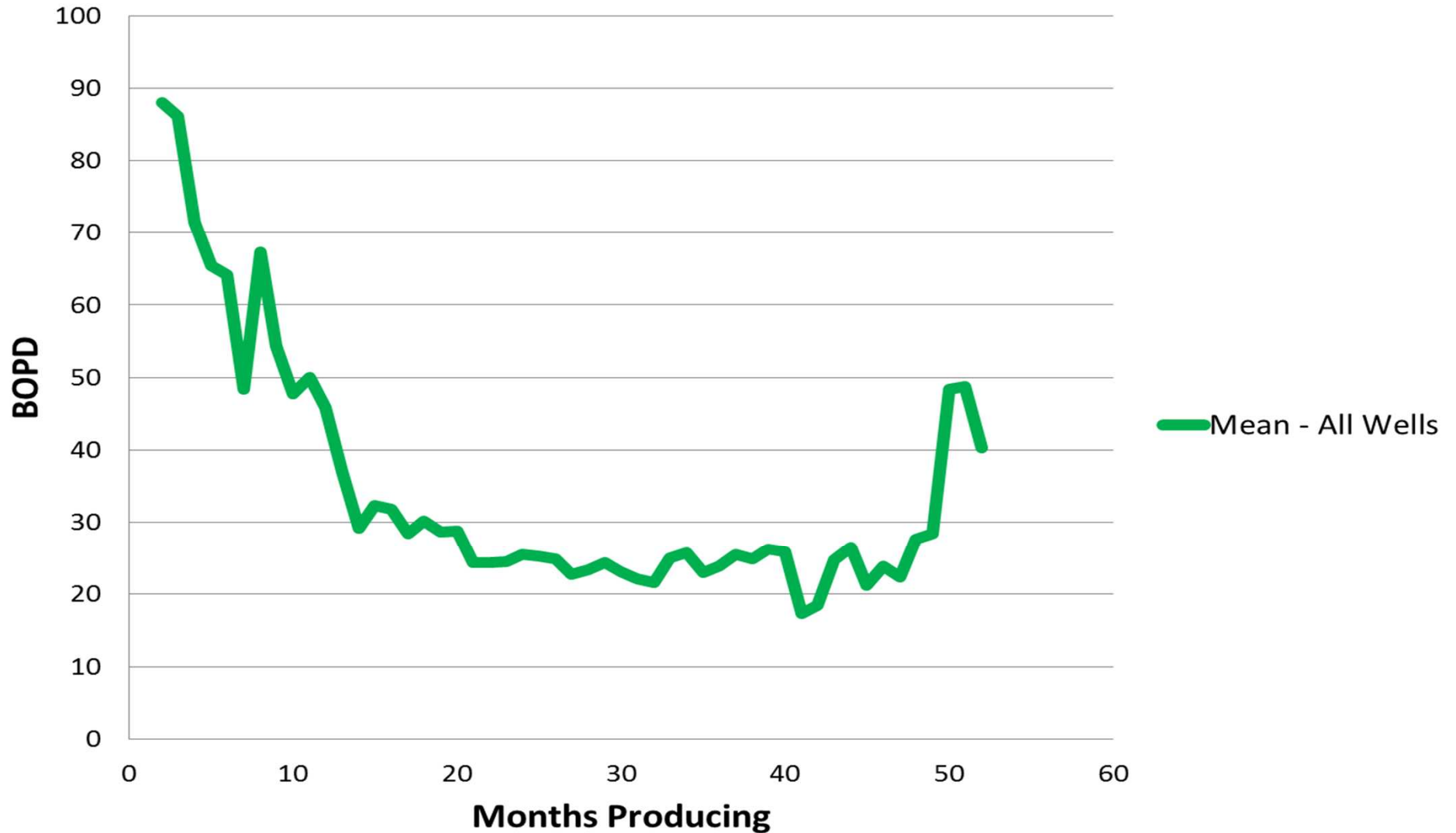


# Round Mountain Lease



# PRODUCTION RESULTS ADJACENT LEASE

## Offset Operator Average Production, 10 Wells



# IOG TEAM

From left:

**Cronin: No 2 in Woodside (23 years)**

**Stowell: Founder of Anvil and Mawson West, CA**

**MacDonald: 13 years in Senate, LLB**

**McGann: 40 years geologist worldwide, CPG**

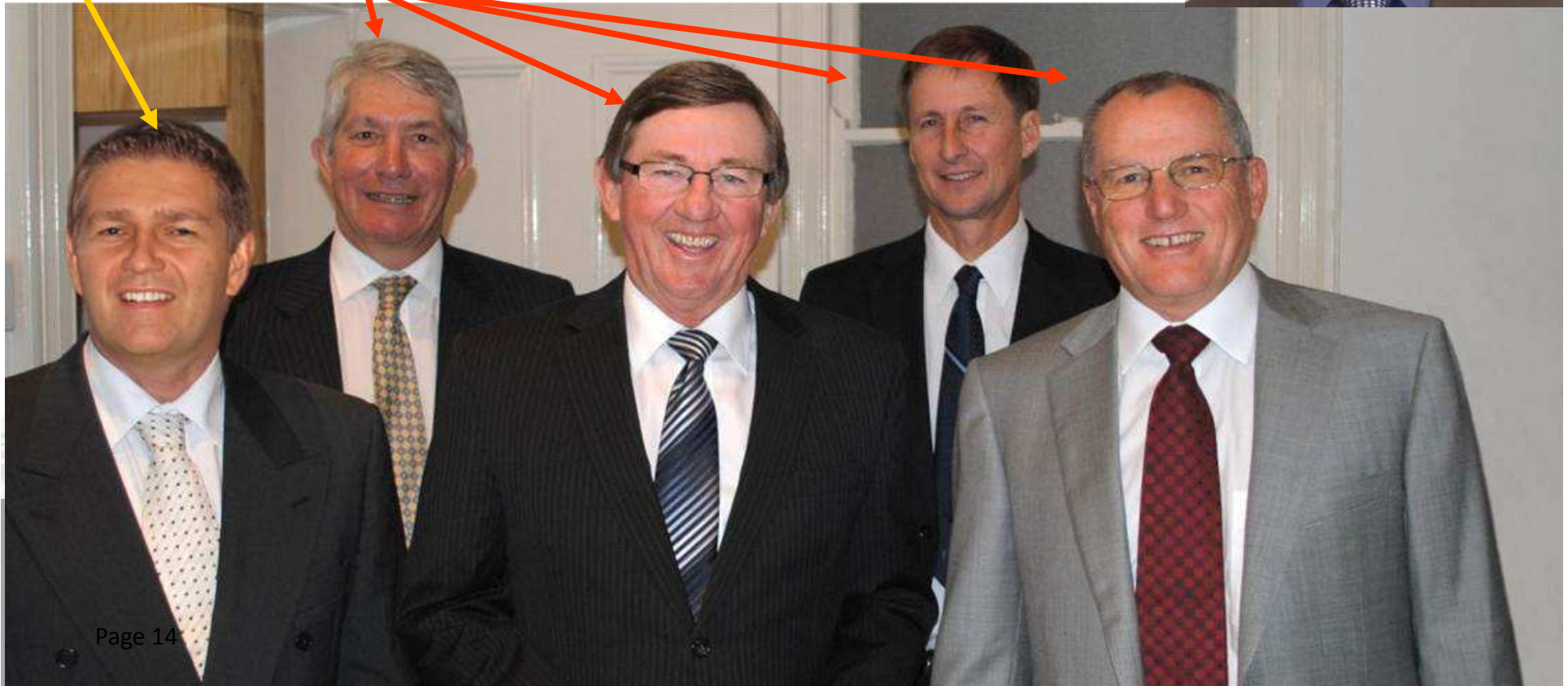
**Adams: 20 years Accountant.**

John Whisler  
EXEC VP USA



CFO

DIRECTORS





# NEW PROJECT STRATEGY

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- Retain existing low cost profitable oil fields for cash flow to support core operations and overheads
- 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 (Line of Credit) as part of funding strategy for growth

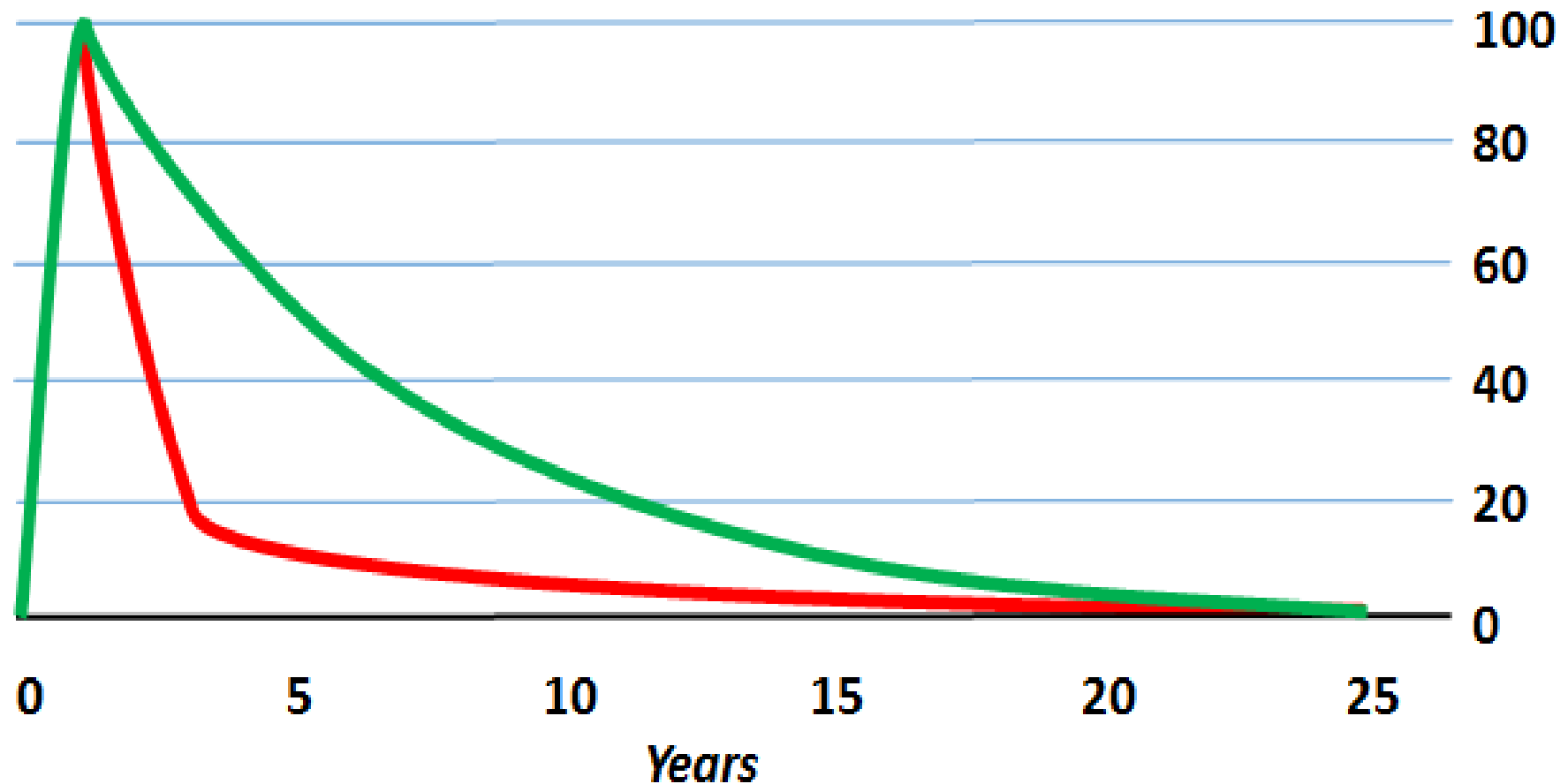
# Why IOG sticks to Conventional Oil !

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Peak production = 100%

**Tight Oil Well**

**Conventional Oil Well**



# IOG VALUE PROPOSITION

