

ASX Announcement/Media Release

18 December 2017

SILVERTIP RECOMPLETION UPDATE

Incremental Oil and Gas Limited (ASX: IOG) ("IOG" or the "Company") is pleased to announce that it has completed two shallow gas well recompletions at its Silvertip Field, Wyoming.

Results from the first well (81-33MV) is encouraging with an IP rate of 200 Mcf per day and average production rate for the first seven days after the recompletion was just above 200 Mcf per day (Gross), higher than the expected initial production estimate of 150 Mcf per day. The flowing well pressure has stabilized at 350 psi at the 200 Mcf daily rate. Capex for these recompletions was less than \$11,000 per well. Based on an average gas price of \$2.95 per Mcf, this initial production rate represents a monthly net revenue to IOG of \$14,000 per month and return on investment less than 30 days.

Results from the second recompletion of well 37-33 were not as successful. The 37-33 was a non-productive idle well that had good gas shows on the mud log when drilled but had a poor cement bond across the formation of interest. It is likely that the gas had escaped over time into shallower thief zones.



Recompletion Rig (81-33MV) at Silvertip Field

Recent regulatory approvals have opened up additional recompletion opportunities that had previously been identified. The company is planning a further 3 recompletions for 1Q 2018. These will target the Meeteetse Formation that have yielded better recompletion results from a previous round of activity in 2016 where 30 day average IP's were in excess of 1,000 Mcf per day.

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