

EnerCom The Oil and Gas Conference

August 2017

ASX: IOG

www.incremental油和gas.com



incremental
OIL AND GAS
LTD

Business Strategy

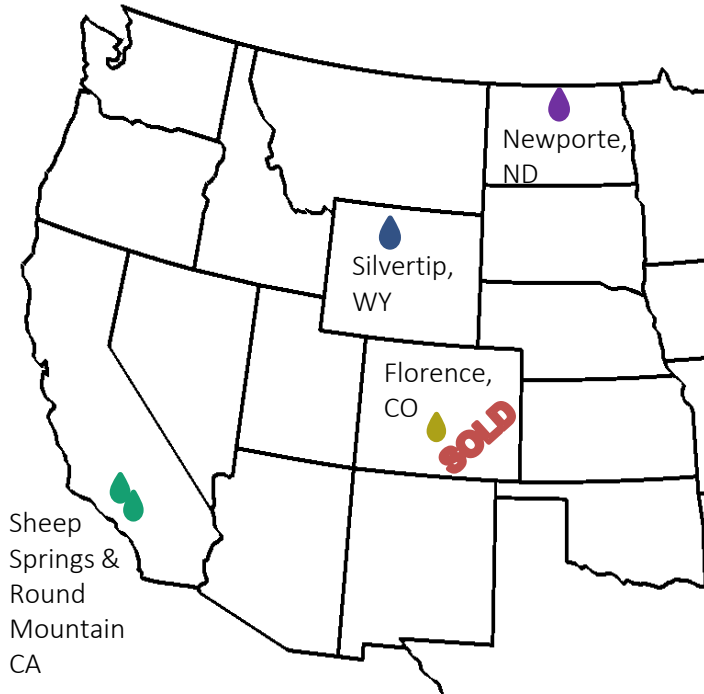
We focus on assets which provide optimization upside, recompletion potential, and exploration opportunities.

Growth of reserves enhances investor value.

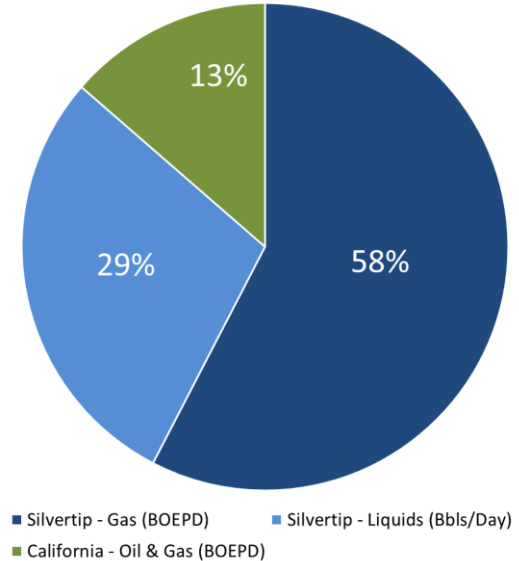


The Assets

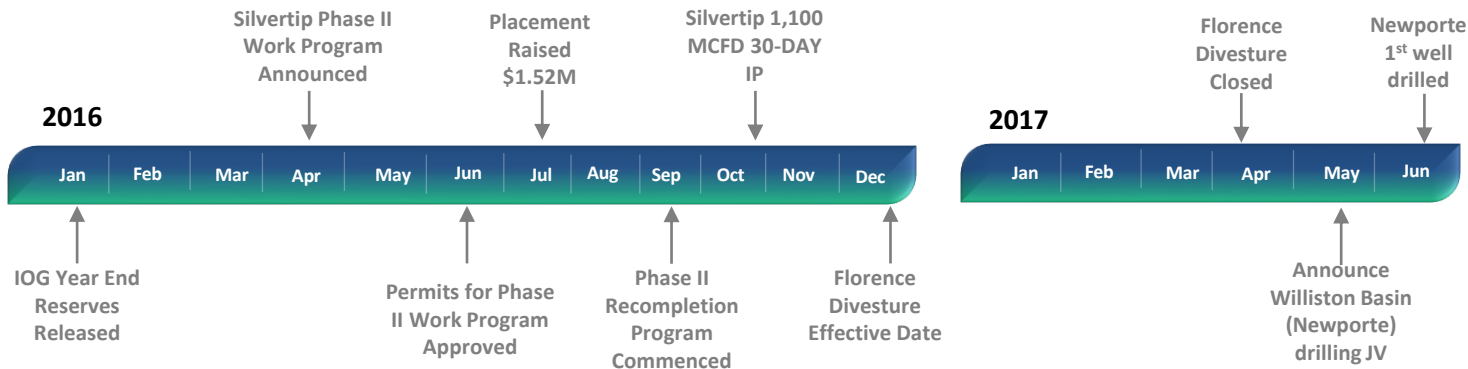
Western United States



Q2-17 PRODUCTION PERCENTAGE BY FIELD
(622 boepd)



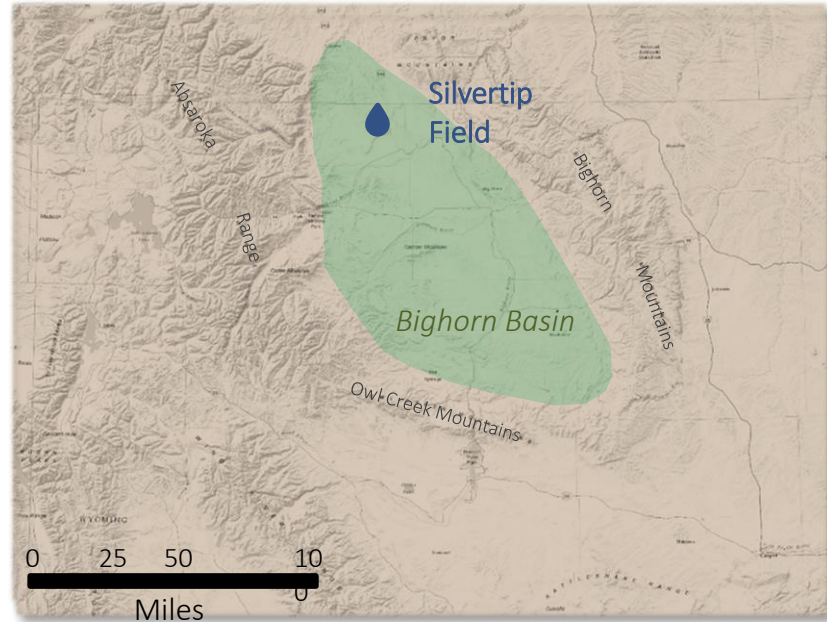
INCREMENTAL OIL AND GAS – 2016/17 activity



- Ongoing review of new project acquisition opportunities
- Over 6 weeks of in-depth DD on prospective assets

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 barrel¹
- Multi-stack pay: oil, gas, and NGLs²
- 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 Plant and Compressor Station



Slide 6

ASX: IOG

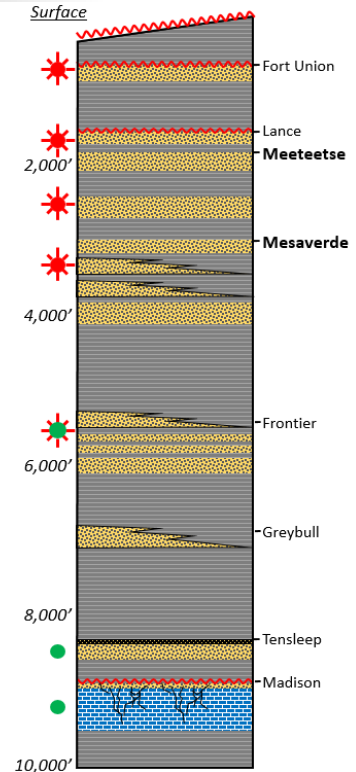
www.incremental油和gas.com

incremental
OIL AND GAS
LTD

Silvertip Development Plan

- Workover Program
 - 30 shallow gas wells (Meeteetse , Mesaverde and Lance formations)
 - 3.1 BCFG recoverable (independently assessed)
 - \$7.1 million future net cash-flow¹
 - \$1.0 million CAPEX – 6.14 ROI
- Development of Tensleep EOR oil reservoir
 - Re-activating secondary recovery program
 - Remaining recoverable oil-in-place under review

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



Silvertip 2016 Development Results

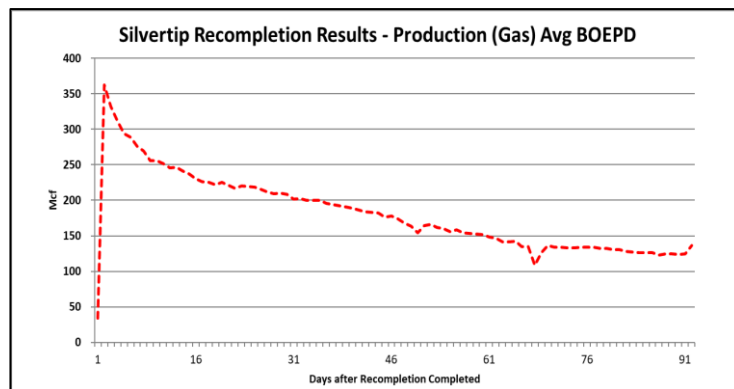
Expectations

- 100-150 MCFd initial production (IP)
- \$35k capex budgeted per well



Results

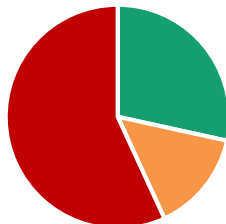
- Incremental 1 BCF in reserves
- Average 30 day IP – 245 MCFd (10 recompletion wells)
- Average Capex - \$33,500 per well
- Payback of six months (gross basis)



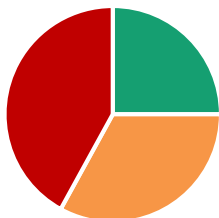
Silvertip Success

PRODUCTION:

Q4-2016:
673 BOEPD



At-Acquisition:
360 BOEPD



■ Oil ■ NGL ■ Gas



RESERVES:

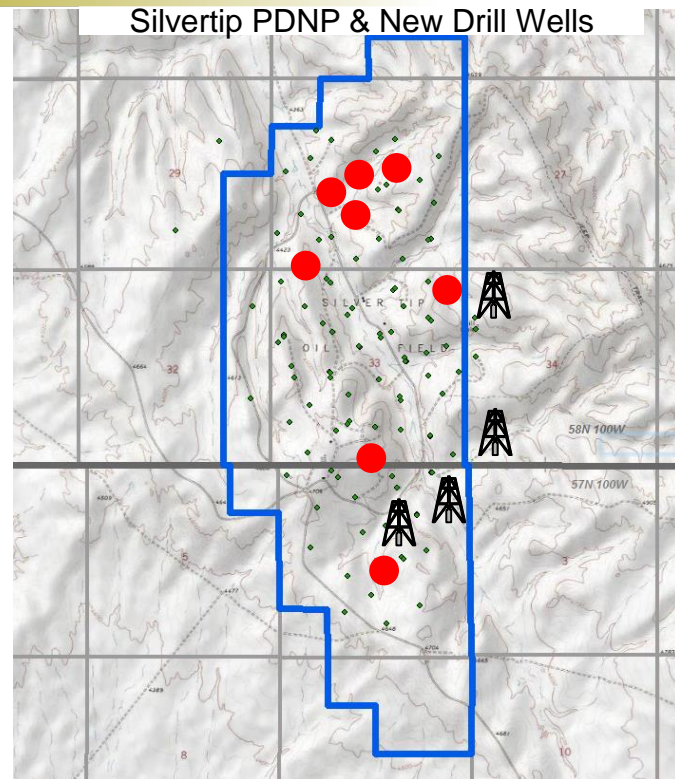


MBOE	Proved Reserve (Dec 31, 2016)
Liquids	738
Gas	958
Total	1,696

MBOE	Proved Reserve (May 1, 2015)
Liquids	621
Gas	268
Total	889

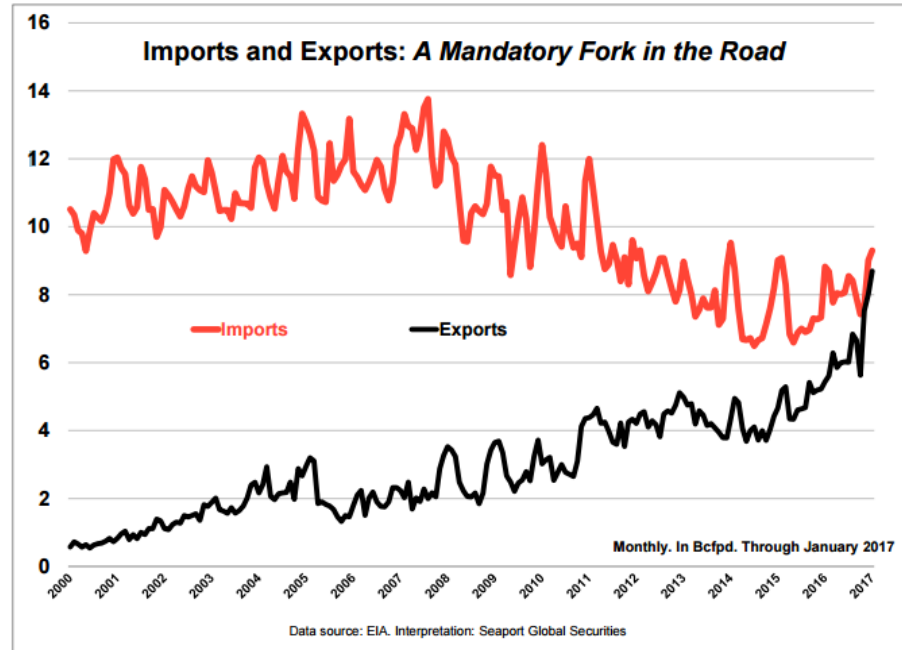
Stacked Pay Development 2017

- Explore development potential in unproven stacked pay formations in current wellbores
 - Lance – 1st test scheduled 4Q 2017
- Up to 20 additional recompletion wells in proven shallow gas formations in current wellbores
 - Meeteetse – 7 scheduled 4Q 2017
 - Mesaverde
 - Virgelle
- Potential for 4 new wells to be drilled to further develop stacked pay step outs
 - 2 wells permitted
 - 2 wells identified – permitting in progress



2017 Gas Price Outlook

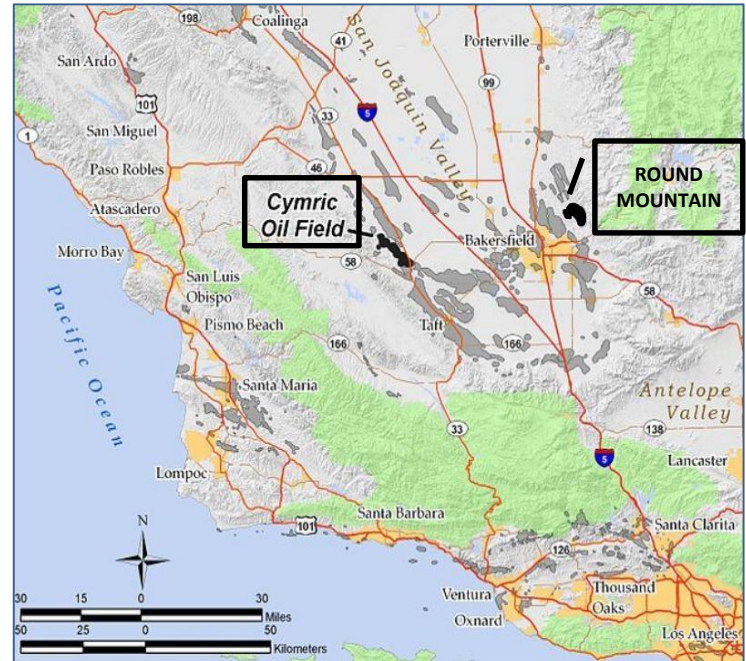
- US is likely to become a net exporter of gas by the end of 2017 – mainly to Mexico but also supplying LNG to Europe and Asia
- Gas has overtaken coal as the biggest source of energy in the US



California Assets

Sheep Springs & Round Mountain, CALIFORNIA (100% WI, OPERATOR)

- 85 BOEPD production (Q2-17)
 - Sheep Springs – 63 BOEPD (Oil - 93%, Natural Gas - 7%)
 - Round Mountain – 22 BOPD
- 0.30 MMBOE 1P reserves
- Lease all HBP
 - Sheep Springs – 160 acres
 - Round Mountain – 320 acres
- Low decline production
- Low operating cost



Growth Strategy Delivery To Date

**Acquire
& Enhance**

**Develop
& Explore**

Grow

- Silvertip Purchased June 2015
- Workovers enhanced production by repairing shut in wells and improving efficiency

- Behind pipe gas reserves tested for recoverability
- Recompletion program carried out to recover identified gas

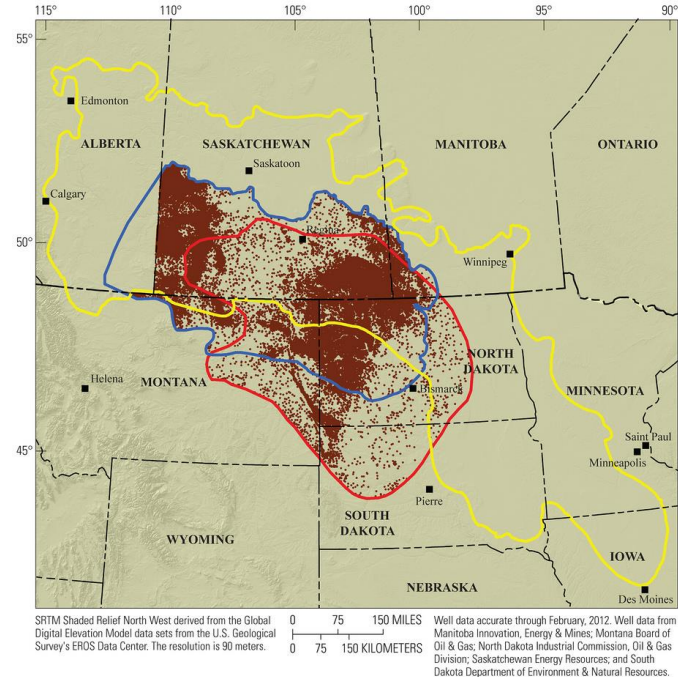
- Reserves increased by 1 BCF as a result of successful recompletions
- Production increased from 360 BOEPD to 673 BOEPD in Q4-16

Where To From Here?



Williston Basin Focus

- Prolific hydrocarbon system
 - Multiple source rocks
 - Conventional and unconventional plays
- Oil and gas friendly region
- Actively pursuing
 - PDP
 - Development
 - Exploration



Entry into Williston Basin



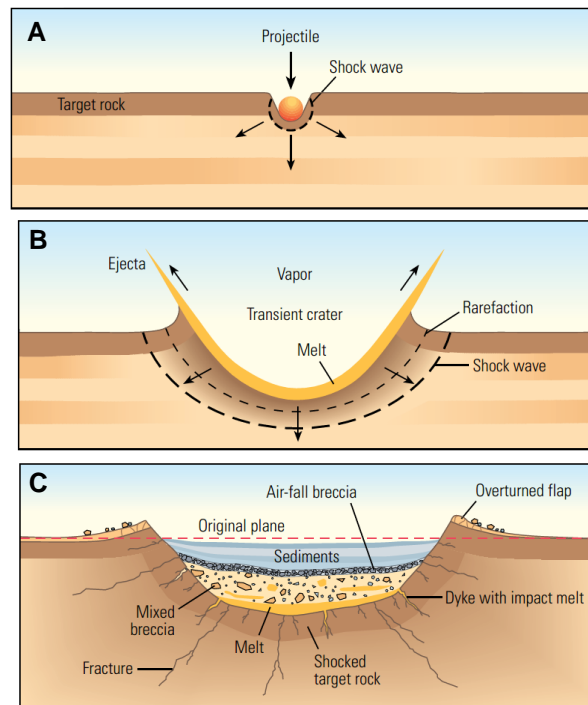
WI partner in drilling joint venture (Newporte Field)

- Drilled first prospect July 2017 (\$1M well cost)
- Multiple 3D seismic development locations identified
- Second location to be drilled 2018
- Opportunity to participate in other Exploratory prospects scheduled for 2018 with JV partner (Armstrong Operating LLC)

Newporte Drilling Prospect

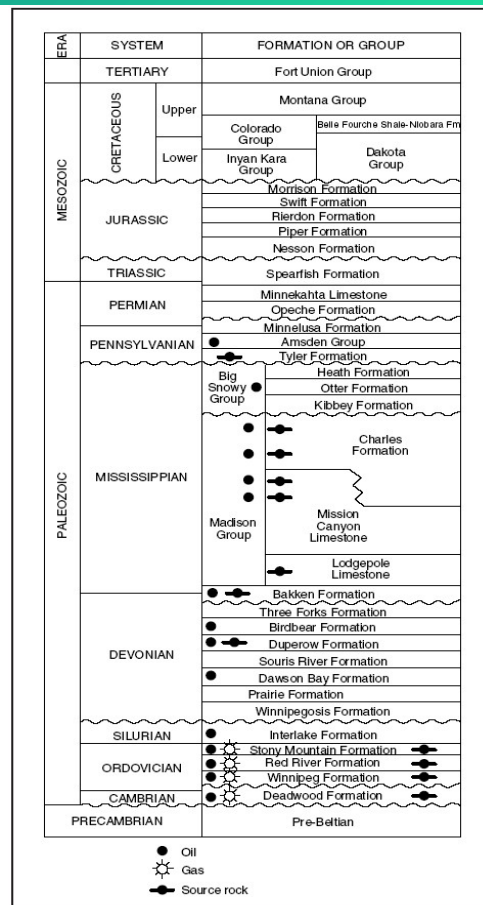
- Located in the Williston Basin
- 3.2km (2 mile) diameter meteor-impact feature (astrobleme)
- Analog Red Wing Creek Field (McKenzie County, North Dakota), with primary reserves of 20 Million BO
- 300+ MBO produced from the Shell Larson 23X-9 well
- New high resolution 3D seismic clearly delineates development potential

(A) Asteroid hits the Earth's surface. In the excavation stage (B), the crater forms. Following impact, the crater walls have collapsed slightly and debris has fallen back into the crater (C).



Geology

- Newporte Field is a well-documented meteor-impact feature that occurred in early Ordovician time.
- Primary target - Cambrian-aged, conglomeritic sandstones of the Deadwood Formation which lie near or on the Pre-Cambrian Basement (9100-9600')
- 16 square miles of 3D seismic data over Newporte Field.



Stratigraphic chart showing 12 hydrocarbon source beds and 15 reservoir rocks in the Willison Basin.

Experienced Oil & Gas Operators

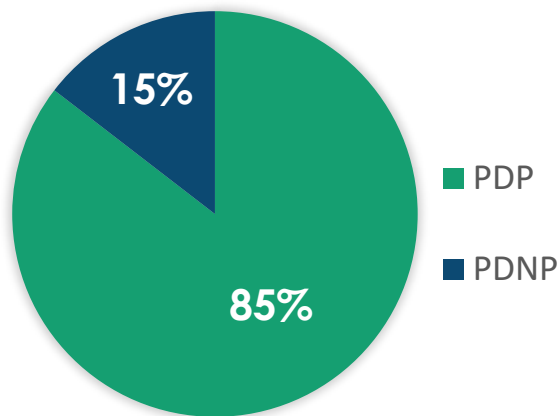
- Strong technical team with engineering, geology, land, legal, and financial expertise
- Extensive experience in 6 U.S. basins with over 200 wells drilled and completed
- Total Management industry experience over 70 years
- Total non-executive director experience over 75 years



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

Reserves and Production

NET Total 1P Reserves by Category Effective December 31, 2016



MBOE	CA	WY	Total
Proved Developed Producing (PDP)	322	999	1,321
Proved Developed Not Producing (PDNP)	-	225	225
Total 1P Reserves	322	1,224	1,546
Independent Reserve Valuation ¹			\$18.7M

1. PV10 based on prices at 31-Dec-16

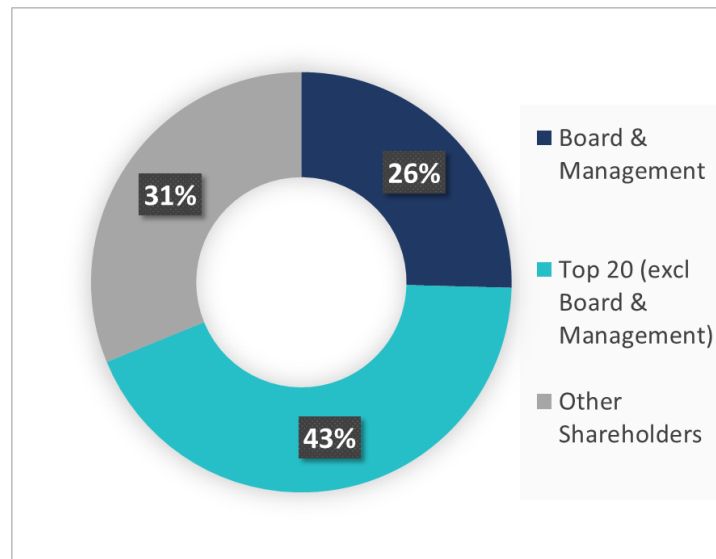
Market Summary

Capital Market Summary

Exchange: trading symbol	ASX: IOG
Share Price (30 Day VWAP)	A\$0.029
Market Capitalization	A\$5.8M
	US\$4.5M
EV	US\$11.00M
Ordinary shares on issue	202,194,580
Options on issue ¹	5,000,000
Reserve Value ²	US\$18.7M
Debt – ANB	US\$ 6.5M

1. 5,000,000 exercisable at A\$0.1485 before 27 July 2018
2. Refer previous slide 18

Shareholder Distribution



2016 Financial Summary

Per BOE ¹ (2016)	Revenue ²	Royalties and Prod'n tax	Field Operating Costs ³	Netback/ Gross Profit Margin
Silvertip, Wyoming ⁴	\$20	(\$5)	(\$5)	\$10 / 50%
SS ⁵ & RM ⁵ , California	\$37	(\$5)	(\$7)	\$24 / 65%
Florence, Colorado - SOLD	\$35	(\$8)	(\$10)	\$16 / 47%

Existing oilfields all provide positive cash flow (operations level)

Revenue and expenditure in the table above relates to the period from January to December 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. Silvertip Production – 66% gas, 33% liquids
5. 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



JOHN WHISLER

Managing Director

Email - jwhisler@i-og.net

Telephone - +1 720-763-3183



SIMON ADAMS

Chief Financial Officer

Email - sadams@i-og.net

Telephone - +61 (0)8 6144 0590 or
+61 (0)439 845 435

www.incrementaloilandgas.com

[Twitter](#): @IncrementalOG

[Linkedin](https://www.linkedin.com/company/incremental-oil-and-gas-ltd): <https://www.linkedin.com/company/incremental-oil-and-gas-ltd>

Slide 25

ASX: IOG

www.incrementaloilandgas.com

incremental
OIL AND GAS
LTD

Disclaimer – Forward Looking Statements

This presentation has been prepared by Incremental Oil and Gas Ltd ("Incremental").

This presentation may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Incremental's views and assumptions with respect to future events as of the date of this presentation and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth to various degrees, many which are beyond our ability to control or predict. Some of the risk and other factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological, technical and drilling results; predicted production and reserves estimates; operational delays or unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; availability of capital at favourable terms.

Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Incremental, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this presentations sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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