

ASX Announcement/Media Release

9 December 2015

MORE THAN 50% INCREASE IN PRODUCTION FOR NEW ACQUISITION

- **November gross production from the Silvertip Field in Wyoming averaged 656 BOEPD - an increase of more than 50% in production since Incremental took control of the Field;**
- **Gross production from all fields has increased to 820 BOEPD for the month of November (average weighted NRI of 82.5%) enhancing the value of the assets;**
- **27 additional wells have been returned to production as part of the 2015 workover program.**

Incremental Oil and Gas (ASX:IOG) has achieved more than 50 per cent increase in production at its new Silvertip Oil and Gas Field, located in the Big Horn Basin, Wyoming USA.

In October and November 2015, nine additional workovers were completed bringing the total number of shut-in wells brought back into production to 27.

Two behind-pipe recompletions were conducted in October 2015 in non-producing formations. These 'behind-pipe' potential zones had been identified in an extensive study undertaken by Incremental since acquisition and the wells and zones chosen were the first potential candidates.

"Both wells were perforated, acid stimulated and placed on production. The results are very positive with the recompletions being economic at current oil and gas prices," said John Whisler, Incremental Managing Director.

The Company will continue to monitor results over winter and evaluate other candidate wells for more value-adding recompletions in 2016.

"We're highly leveraged to an increase in oil and gas prices and focussed on executing our positive cash flow acquisition strategy by taking advantage of lower contractor rates to achieve significant success in Wyoming," said Mr Whisler.

"Our talented team has been able to efficiently execute our turnaround strategy and continues to review new potential acquisition targets. The current climate is creating opportunities and we're excited about pursuing a well-researched and selective acquisition strategy," said Mr Whisler.

ENDS



Workover Rig at Silvertip Field

About the Company:

Incremental Oil and Gas Ltd is a USA onshore focused oil and gas development & production company. Its 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.

The Company's primary focus is field development & production, with a strong emphasis on generating cashflow. Incremental has a portfolio of oil and gas producing projects in Wyoming, Colorado and California, USA.

Media Contacts:

Australia –
Simon Adams, CFO
Email: sadams@i-og.net
Phone: +61 (0)8 6144 0590
Mobile: +61 (0)439 845 435

USA –
John Whisler, Managing Director
Email: jwhisler@i-og.net
Phone: +1 (720) 763-3183

Web site: www.incremental油和gas.com

Twitter: @IncrementalOG

GLOSSARY

- Bbl - One barrel of crude oil, 42 US gallons volume liquid
- Behind-pipe - Behind-pipe reserves are expected to be recovered from zones in existing wells, which require additional recompletion work prior to the start of production
- BOE - Barrels of oil equivalent, where the conversion of gas to boe is determined using ratio of six (6) Mcf of natural gas to one barrel of oil
- BOEPD - Barrels of oil equivalent per day
- EBITDAX - Earnings before interest, income tax, depreciation, amortization, and exploration (includes dry hole, impairment, abandonment, and workover expenses). EBITDAX includes state severance, ad-valorem and conservation taxes - Colorado 6% and Wyoming 10.6% to 12.7%. EBITDAX is after deducting royalty interest and transport and marketing deducts.
- Gross Production - Total field production of oil, BOE equivalent of gas and NGL sold plus BOE of fuel gas used in collection and processing of gas.
- Mcf - One thousand cubic feet (natural gas volumetric measurement)
- NGL's - Natural gas liquids are naturally occurring elements found in natural gas, and include propane, butane and ethane, among others. The liquids are extracted from the natural gas and sold separately from the gas
- NRI - Net revenue interest
- Recompletion - After the initial completion of a well, the action and techniques of reentering the well and redoing or repairing the original completion to restore the well's productivity
- Workover - The repair or stimulation of an existing production well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons