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The Manager Companies
Company Announcements
Australian Securities Exchange
Level 40, Central Park 152-158 St George's Terrace
Perth WA 6000

By: e-lodgement

(ASX code: IOG)

Director remuneration

As previously announced, **Mr John Whisler** has been promoted to the position of Managing Director with effect from 14th October.

Mr Whisler said "I am very excited to take on the role of Managing Director of Incremental. I am confident we can deliver shareholder value through a strategy of acquiring low risk producing assets which have untapped value from behind pipe and low risk drilling opportunities. Success will be determined by careful selection of new assets and operational excellence of those assets. I truly look forward to this journey that will not only increase value to our shareholders but the organization as a whole."

A summary of the key terms and conditions of John Whisler's appointment as managing Director are as follows:

Term of Contract: Commencing 14th October 2014, there is no fixed term.

Fixed Remuneration: Base Salary - US\$300,000

Mr Whisler will be offered up to 10% of his then Base salary in shares annually of which 50% will vest after 12 months and the remainder after 24 months.

Short Term Incentives: Opportunity to earn cash bonus of up to 90% of the then Base Salary by increasing six monthly average production in a range from 500 barrels of oil per day (bopd) to 1,500 bopd.

Opportunity to earn an introduction bonus of 0.5% of the ultimate purchase price of each new acquisition (capped at one years' then Base Salary) where the acquired asset is identified from personal contacts and will not have been

advertised by standard industry brokers. Opportunity to earn a divestiture bonus of 0.2% of the ultimate sale price of each sale, exchange, merger or other divestiture of oil or gas properties or interests therein.

- Long Term Incentives: Subject to various performance criteria, a project acquisition & development incentive provides an entitled to up to 1M Incremental shares. The shares shall vest in four tranches of 1.0M shares each on performance of the following targets:
- i) Tranche 1: on close of a project(s) acquisition(s) (Project A) which is(are) approved by the Board, and which individually or cumulatively contributes an average of 100 Gross boepd for 30 days.
 - ii) Tranche 2: following production of above new Project A reaching an average of 200 Gross boepd over a continuous 6 month period.
 - iii) Tranche 3: flowing close of project(s) acquisition(s) which take place after the project(s) in (i) above (Project B) which are approved by the Board, and which contributes an average of 300 additional Gross boepd for 30 days : and
 - iv) Tranche 4: total company production reaching an average of 750 Gross boepd over a continuous 6 month period.

Note - The allocation of these shares has previously been approved by shareholders at the AGM held in May 2014. The above mentioned shares are not in addition to the shares approved for issue by shareholders.

- Termination Payment: In the event that the contract is terminated unilaterally by the Company without cause, Mr Whisler is entitled to 6 months base salary. After February 2015, this entitlement is increased to 8 months base salary. If the termination of employment is mutual by both parties then no such severance pay will be made.

Mr Gerry McGann has assumed the role of Non-executive Technical Director on the Board. Gerry will provide technical advice to the company in relation to new projects and current operations in addition to his Board responsibilities.

Incremental's Chairman, Mr Stowell said, "With John's local US experience and Gerry's extensive track record in the oil sector, we believe that we have an exceptionally strong leadership team that will realise our growth potential for the Company."

Yours sincerely



SIMON ADAMS
Company Secretary