

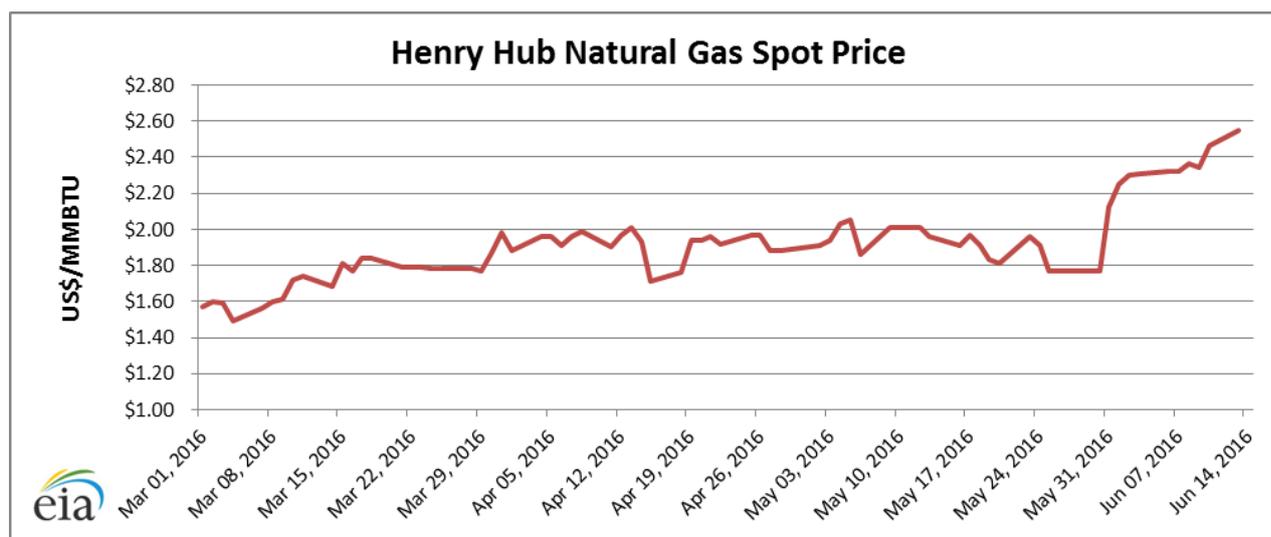
ASX Announcement/Media Release

22 June 2016

## PHASE II WORK PROGRAM, SILVERTIP

- **Permits approved for 8 recompletions for the Phase II Work Program**
- **10 low-cost workovers to increase production by approximately 75 BOEPD**
- **Phase II Work Program economics enhanced by improving gas prices – increase of approximately 70% from March to June**

The price of natural gas has increased by 70% since its low in March 2016. Incremental has strategically timed its Phase II work program, targeting production of gas reserves in the Silvertip Field to capitalize on the rise in prices.



The Phase II work program consists of 24 recompletions and 10 workovers in the Silvertip Field. The 10 workovers are ready to commence and are expected to increase production by approximately 75 BOEPD.

Regulatory authorities have approved 8 permits for recompletion of the Meeteetse and Mesaverde gas formations and the Madison oil formation, which combined with the 10 workovers is of sufficient scale to bring in a rig to commence the work program.

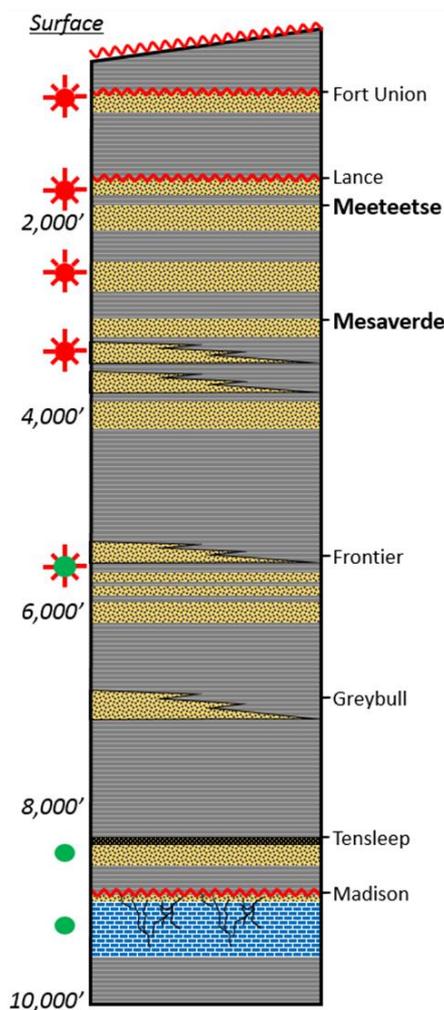
By recompleting existing wellbores to target shallow gas reserves, Incremental's costs will be significantly lower than the drilling of a new well. The cost to recomplete these 24 wells is approximately the same as drilling one (1) new shallow gas well at the Silvertip Field.

The recompletions will target two zones, the Meeteetse and Mesaverde Formations (between 2000-3000 feet depth), which contain approximately 3 Bcf of independently certified natural gas reserves. It is estimated that the average EUR from these wells is 131.8 MMcf per well. The IP rate for the Meeteetse and Mesaverde recompletions are projected to be 100 -150 Mcfd.

Success in these recompletions will see an increase in 1P PDP Reserves and a potential increase in 1P PDNP Reserves as additional recompletion candidates are selected to access behind pipe gas.

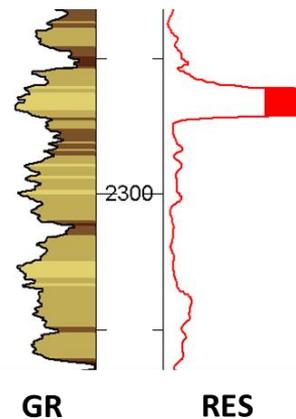
## PROVED DEVELOPED NON-PRODUCING SHALLOW GAS

20+ WELLS TARGETING 3 BCFG – LOW COST RECOMPLETIONS

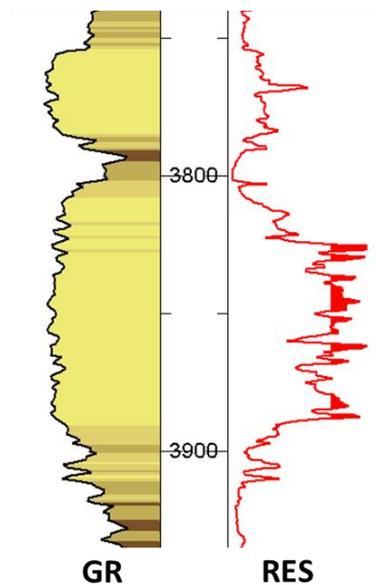


- ◆ Proven infield production from both Meeteetse and Mesaverde
- ◆ Low cost re-completions of existing wellbores
- ◆ 20+ wells identified with pay in Meeteetse and/or Mesaverde

### MEETEETSE RECOMPLETION



### MESAVERDE RECOMPLETION



**incremental**  
OIL AND GAS  
USA HOLDINGS INC.

ENDS

## About the Company:

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Incremental Oil and Gas Ltd is an USA onshore focused oil and gas development and production company. The Company's 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, and increase net cash flow to grow the business.

Incremental has a portfolio of oil and gas producing projects in Wyoming, Colorado and California, USA.

Incremental is the operator of the Silvertip (WY), Florence (CO), Sheep Springs (CA) and Round Mountain (CA) Fields with 100% working interest in all fields and net revenue interests of between 78.5 - 87.5%.

Gross production for the Group in Q1 2016 was 734 Boepd.

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## Glossary

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1P Reserve -	Quantities of petroleum, which by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations
Bbl -	One barrel of crude oil, 42 US gallons volume liquid
Bcf -	One Billion cubic feet (natural gas volumetric measurement)
BOEPD -	Barrels of oil equivalent per day. Gas volume is converted to BOE on a ratio of 6Mcf of gas to one barrel of oil.
EUR -	Estimated ultimate recovery is an approximation of the quantity of oil or gas that is potentially recoverable or has already been recovered from a reserve or well
IP -	Initial production from a well when it starts to flow hydrocarbons
Mcf -	One Thousand cubic feet
MMcf -	One Million cubic feet
Mcfpd -	Mcf per day
Net Revenue Interest -	Net revenue interest is defined as a share of oil or gas production that is calculated after deducting any burdens from the working interest. For example, an oil well typically has a mineral rights owner and an overriding royalty owner.
PDP -	Proved developed producing
PDNP -	Proved developed not producing
Recompletion -	The completion for production of an existing wellbore in a new formation from that in which the well was previously completed
Reserve -	Amount of technically and economically recoverable oil or gas from a defined area of interest
Working Interest -	The percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a tract of property. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating a well or unit
Workover -	The repair or stimulation of an existing producing well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons

## Forward Looking Statements

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This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect the 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 factors, 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; and 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.