

8 January 2013

The Manager Companies
Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

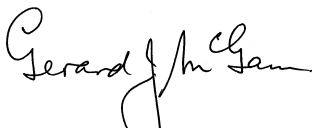
By: e-lodgement (ASX code: IOG)

Dear Sir/Madam

Incremental's Ventura well another success.

Incremental Oil and Gas Ltd is pleased to advise that its first well on the Ventura project in coastal California, the **C & H #18** was spudded at 11:00 hours on 13th December using the Ensign 515 Rig. 10 3/4" casing was set at 992' and the well was then drilled directionally (at a maximum inclination of 9°) to a total depth of 6800', reached on January 1st. Oil and gas shows of varying intensity were observed in multiple sandstones below 3900', with good to excellent shows over a net interval of nearly 500' between 4825' and 6690'. A limited suite of wireline logs has been run due to deteriorating borehole conditions. Resistivities measured from the wireline logs compare favourable to nearby wells drilled in the 1940's, many of which have produced over 100,000 barrels of oil throughout their lifetime. 7" casing has been run and the rig released on 8th January. The well is expected to be placed on production in the coming weeks. At this stage the initial production rate is obviously unknown, but if the well is proven to be commercial, there is significant scope for drilling additional wells.

Incremental holds a 25% working interest in the Ventura lease and will pay 25% of the well cost. The drilling location is shown below, with the town of Paulo Alto in the background.



Gerry McGann
Managing Director

