

1 March 2013

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

By: e-lodgement (ASX code: IOG)

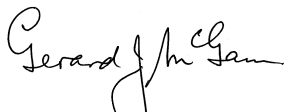
Dear Sir/Madam

Incremental's Ventura well produces oil.

Incremental Oil and Gas Ltd is pleased to advise that its first well on the Ventura project in coastal California, the **C & H #18** has been producing about 20 bopd with minor water since being placed on production with a beam pump on 26th February. Production is from only 86' of perforations between the depths of 4247' and 5347'. There is still significant pay that remains un-perforated in this section and excellent shows were recorded above this interval and remain untested to date. The operator is currently investigating the possibility of additional perforations or undertaking a small-scale fracture stimulation over the existing perforations to enhance the initial flow rate.

On the same lease, the **C & H #12**, 670m to the west of C & H #18, has been re-entered and 80 barrels of oil initially recovered. The plan is to return the well to production. C & H #12 produced over 200 thousand barrels of oil between 1946 and 1994.

Incremental holds a 25% working interest in the Ventura lease.



Gerry McGann
Managing Director