

16th November 2011

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

By: e-lodgement (ASX code: IOG)

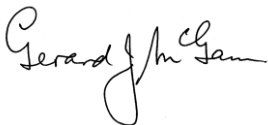
Dear Sir/Madam

Round Mountain wells expected to spud this week

Incremental will commence drilling at its 100% owned Round Mountain project in California this week. The two planned wells, Smoot 5 and 6, will be drilled as vertical wells with plans to perforate and stimulate each to increase potential production rates. The wells will help delineate the extent of the oil bearing reservoirs now productive in Smoot 3 and 4.

The four existing wells at Round Mountain continue to perform well, with average daily production of about 107 bopd. Both wells will be funded from Incremental's cash reserve. An additional six wells at Round Mountain are awaiting regulatory approval.

Yours sincerely



Gerry McGann
Managing Director