

INCREMENTAL OIL and GAS (asx: IOG)

**GOOD OIL CONFERENCE
SEPTEMBER
2013**

www.incrementaloilandgas.com



DISCLAIMER AND IMPORTANT NOTICE

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this presentation are to American currency, unless otherwise stated.

Incremental Business model 2010-13

- A profitable producing oil company
- We acquire underperforming oilfields and increase production
- Focus is Onshore USA
 - **Florence** producing oilfield, Colorado (100% WI)
 - **Round Mountain** producing oilfield (100% WI)
 - **Sheep Springs** producing oilfield (100% WI)
 - **McDonald Anticline** development project (100% WI)
- We operate all of our projects

Incremental Business model 2013

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IOG Capital Structure

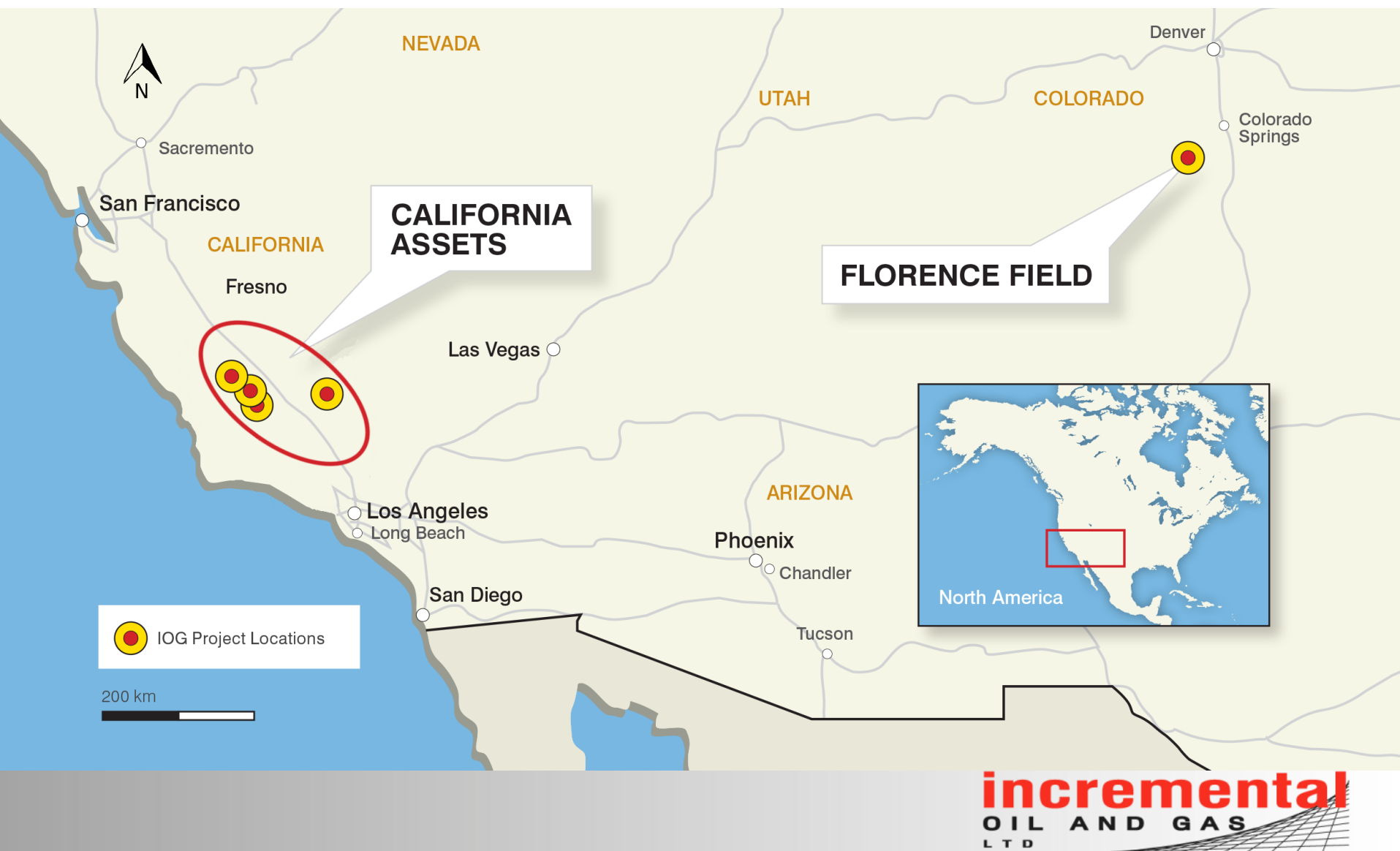
- Listed January 2011.
- 486 shareholders
- 156.2m shares (Directors and management 37.3%)
96.5m unlisted options¹
- Market cap ~\$21 million
- US\$4m Debt

	2010	2011	2012	2013 (H1)
REVENUE	\$6.17m	\$7.70m	\$16.04m	\$6.29m
EBITDA	\$2.40m	\$2.98m	\$6.91m	\$2.11m

1. 92.5m options exercisable at A\$0.20 on or before 1 November 2014

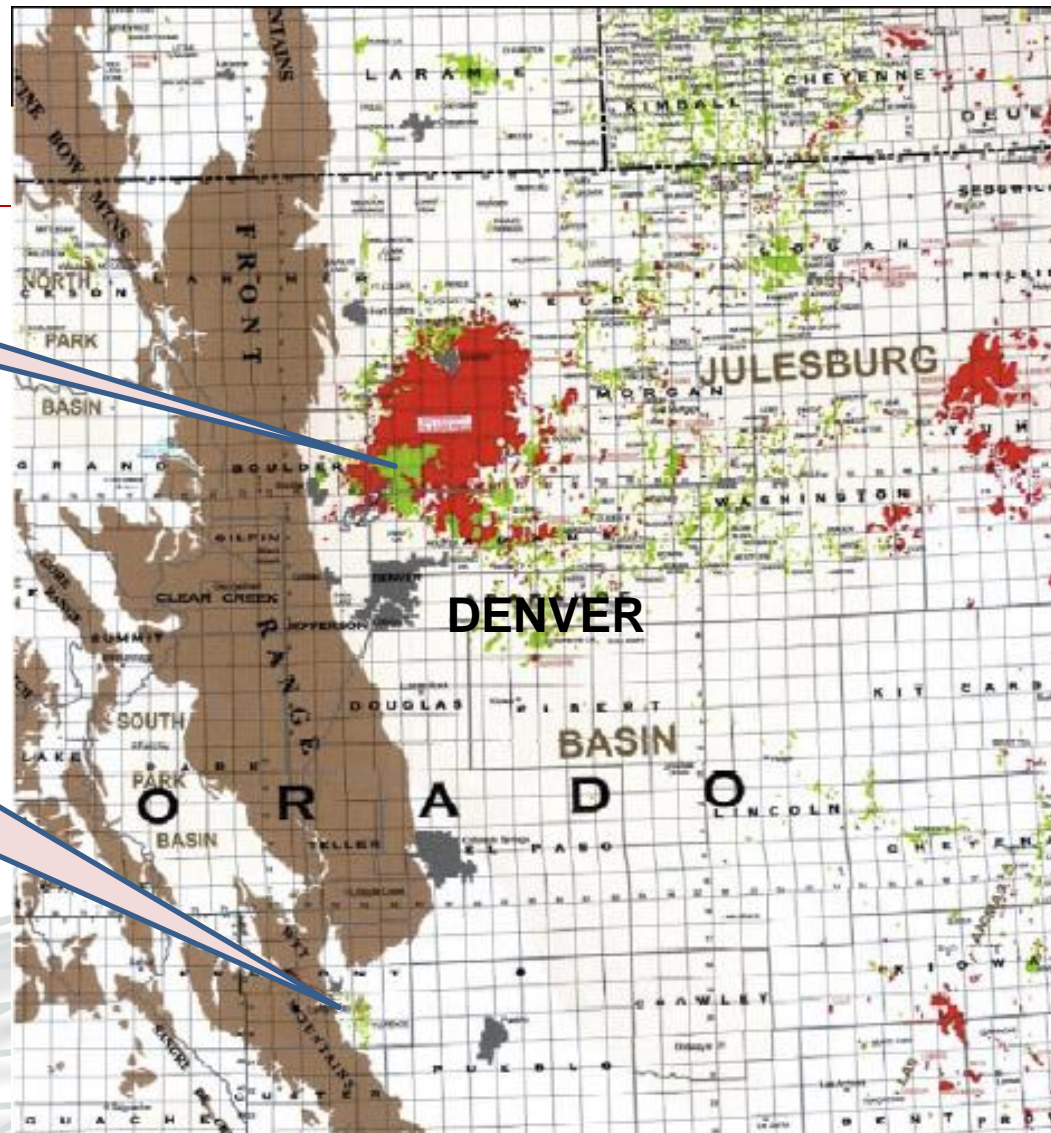
2. 4.0m options exercisable at A\$0.1485 on or before 27 July 2018

OPERATING LOCATIONS

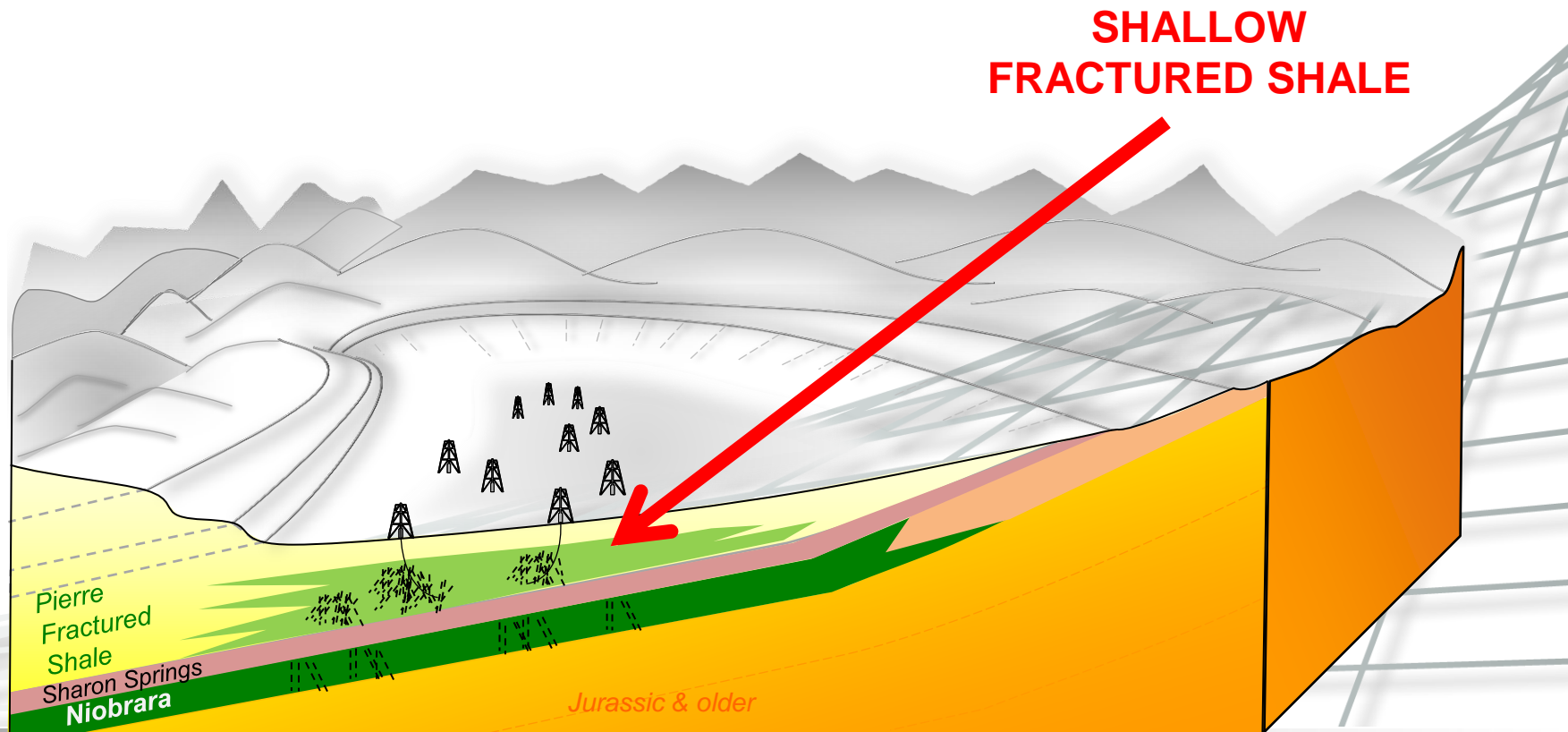


WATTENBERG OILFIELD

FLORENCE OILFIELD



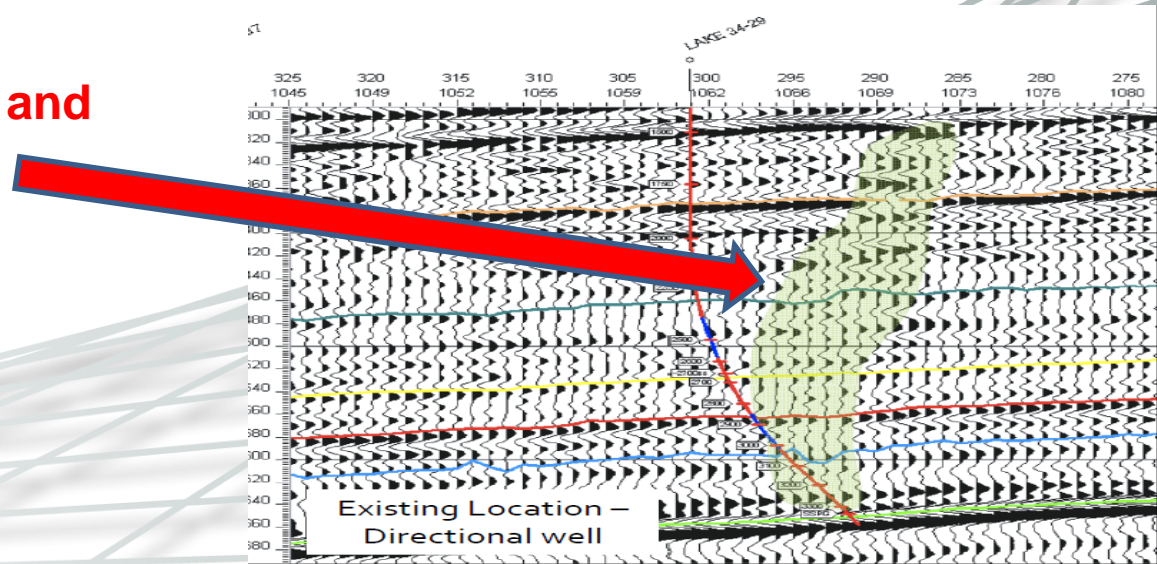
ALL HISTORIC PRODUCTION (15 million bbl)



SHALLOW FRACTURED SHALE POTENTIAL

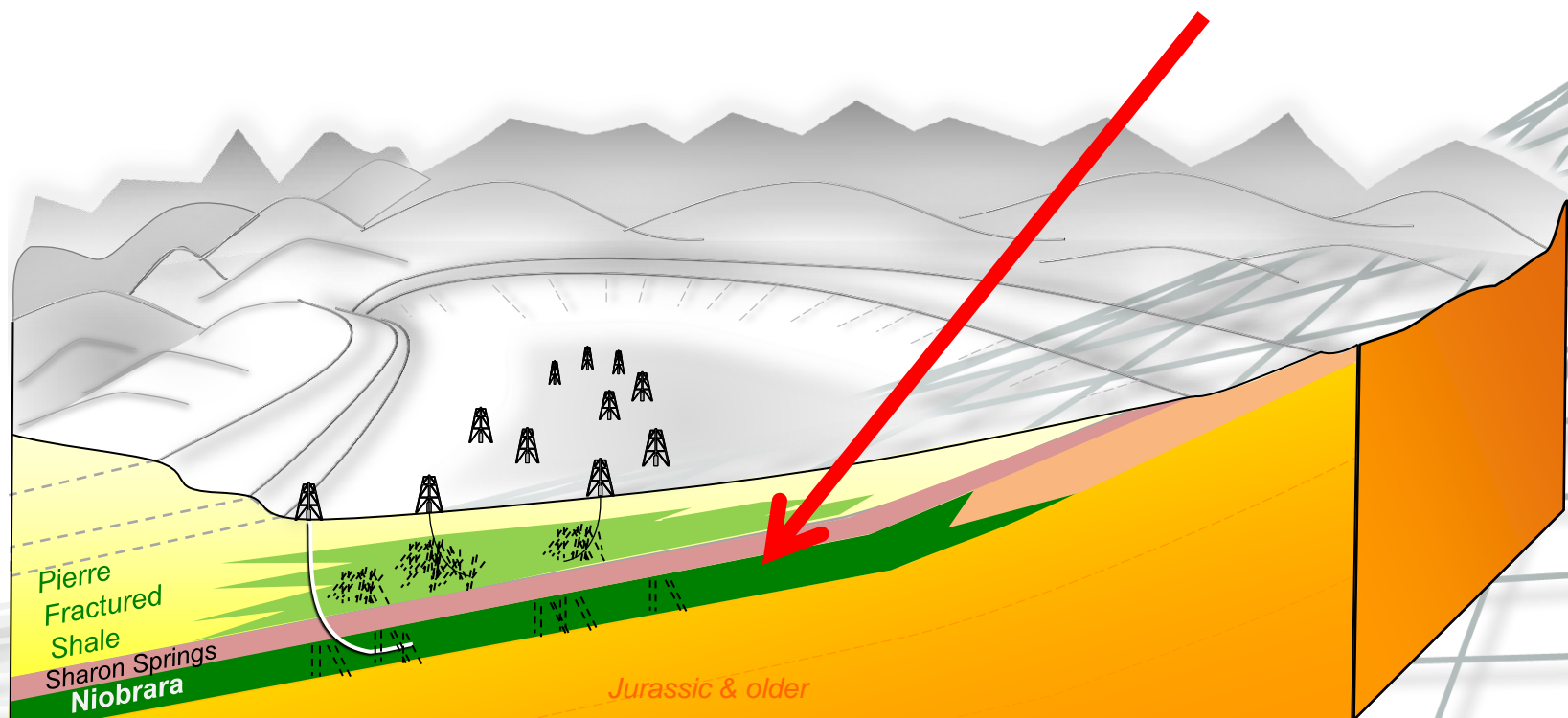
- First two IOG wells drilled are not great, but lots of potential still
- New seismic in west of Field to start soon
- Next drilling campaign will concentrate on western part of field

Fracture zones clearly visible and mappable on seismic



IOG's VALUE PROPOSITION

**FRACTURED
NIOBRARA FORMATION**



CRETACEOUS LANDSCAPE



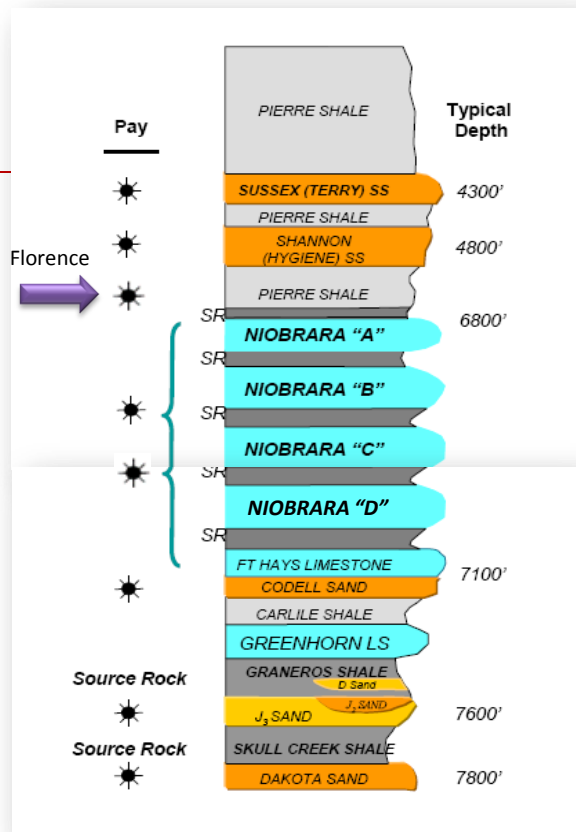
Niobrara deposited in same large inland sea as the Eagle Ford Shale in Texas

Both limestones have significant entrained oil

Eagle Ford now one of largest oil plays in world

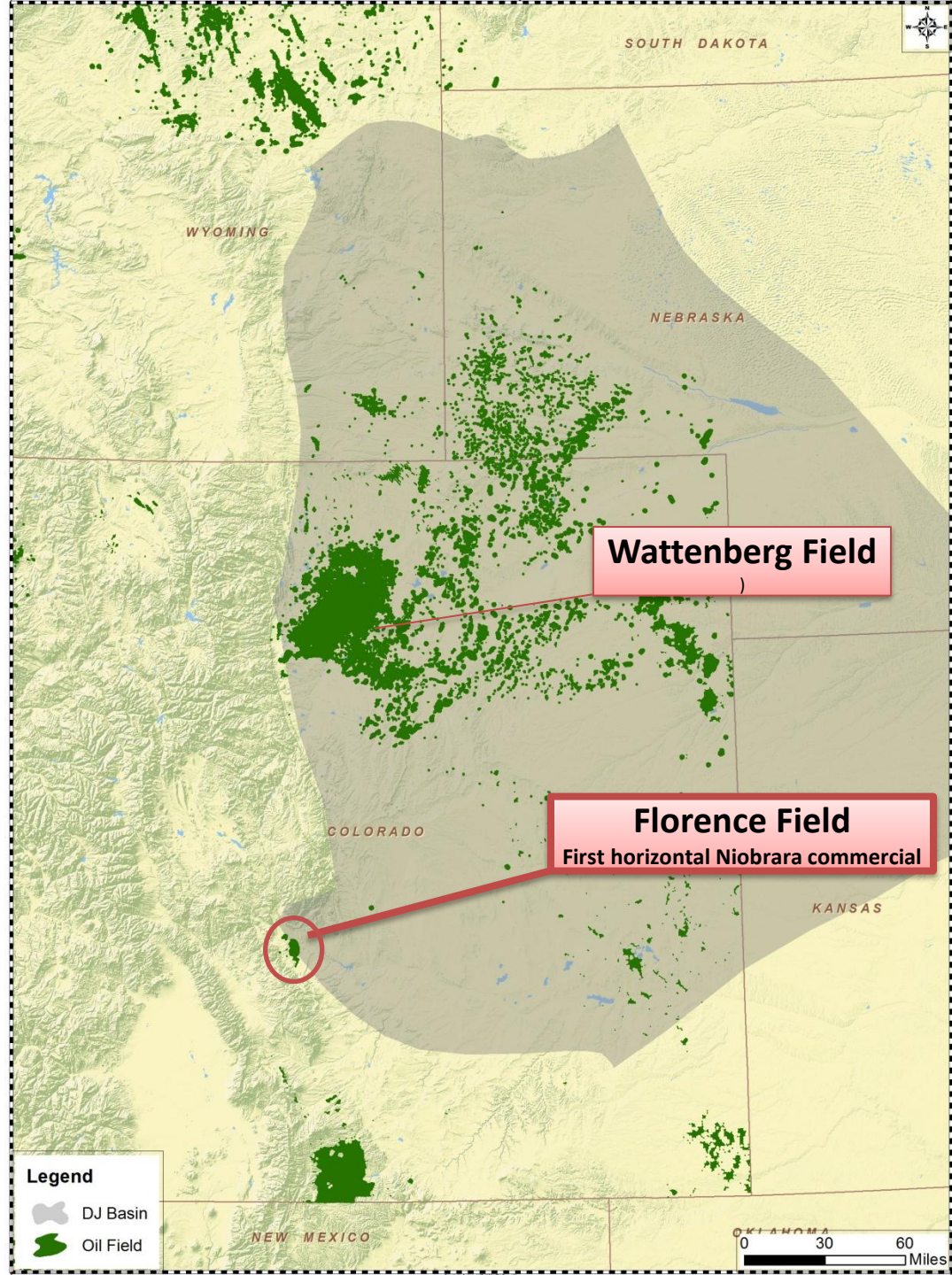
NIOBRARA FM.

EAGLEFORD SHALE



Niobrara

- Very widespread
- Florence same depth and maturity as areas being drilled

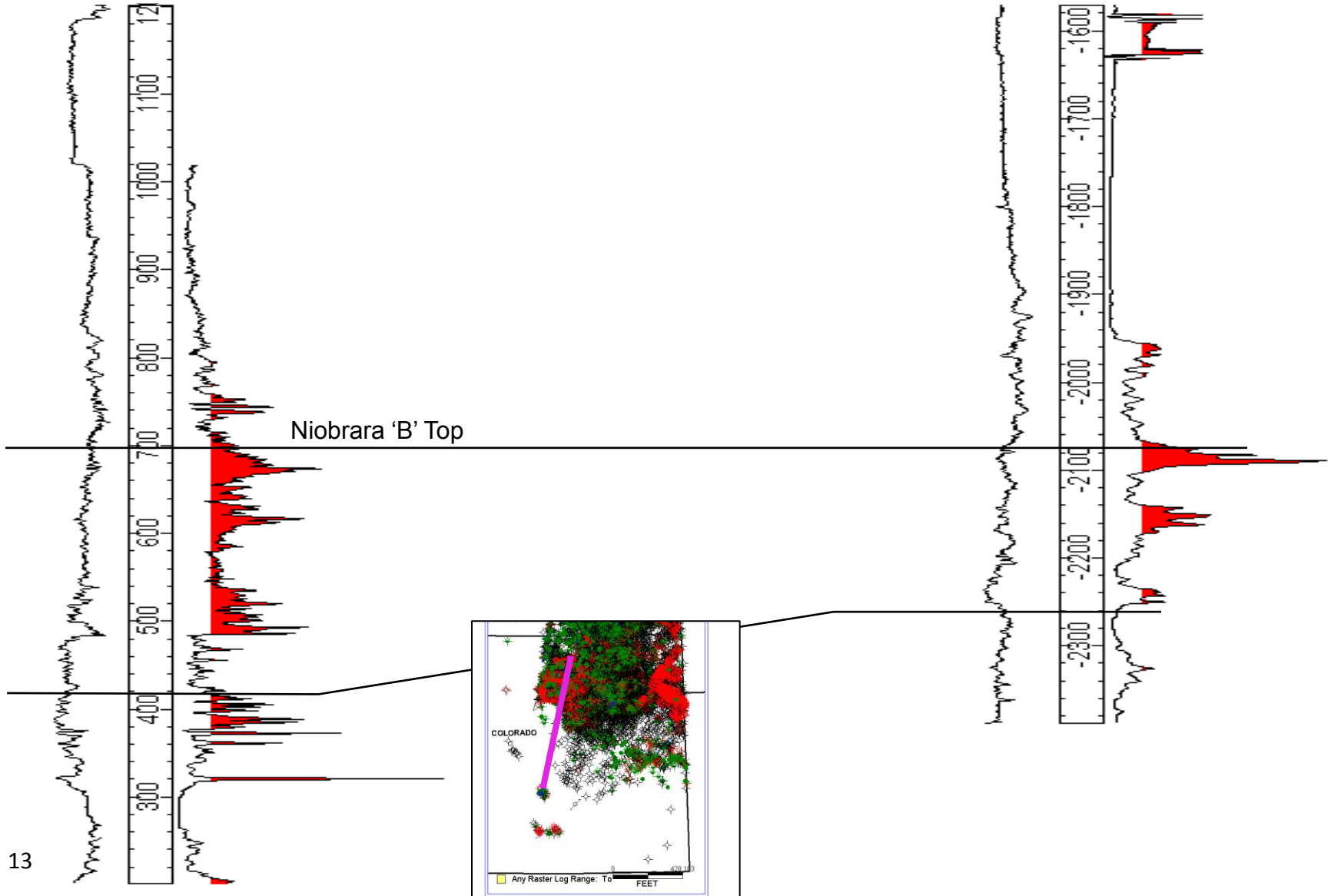


Florence Niobrara logs look better than Wattenberg

FLORENCE

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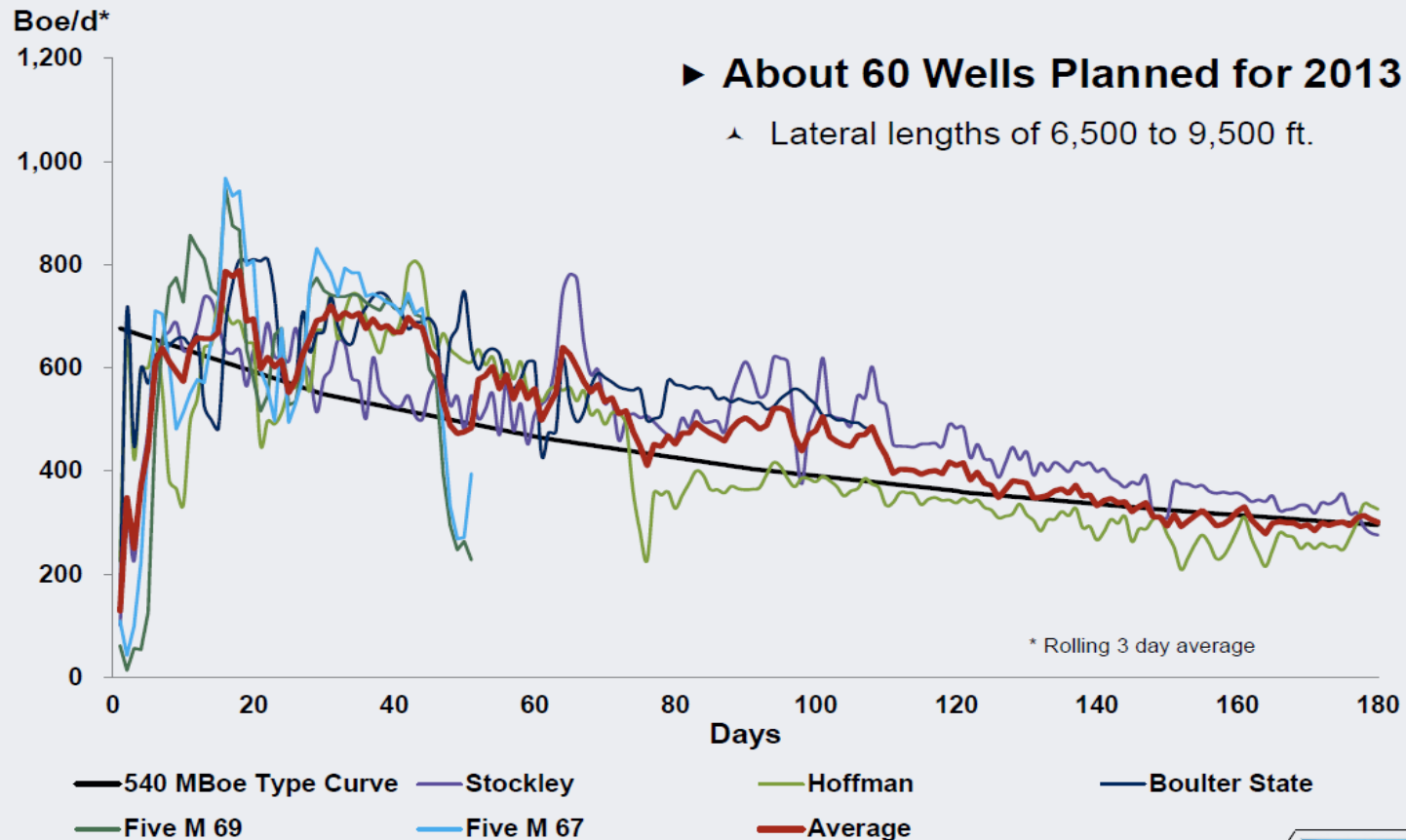
WATTENBERG



NOBLE etc HAVING GREAT SUCCESS at WATTENBERG

Extended-Reach Laterals

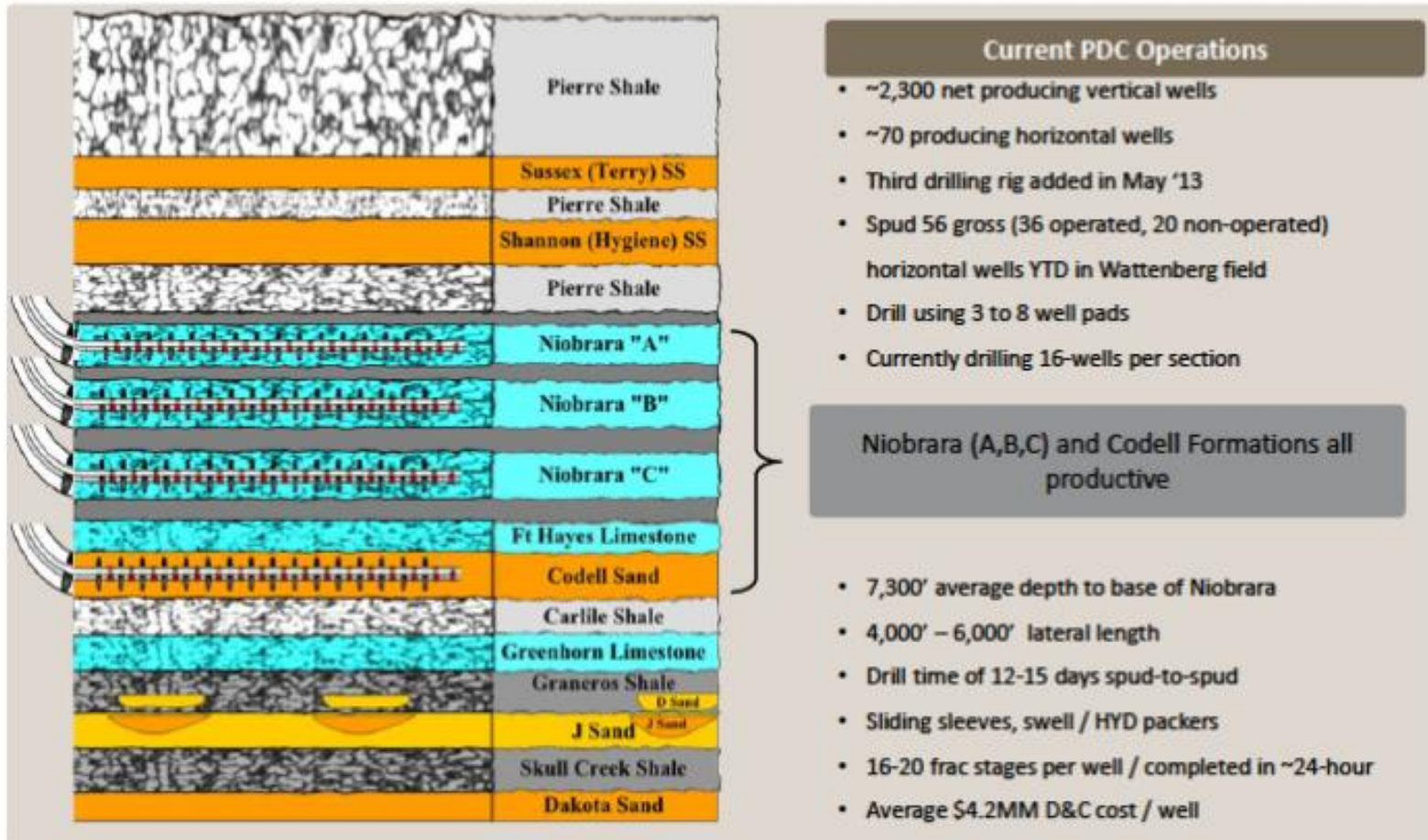
7,000' laterals generating excellent results



Noble Energy; NYSE: NBL. Market cap \$22 Billion,

incremental
OIL AND GAS
LTD

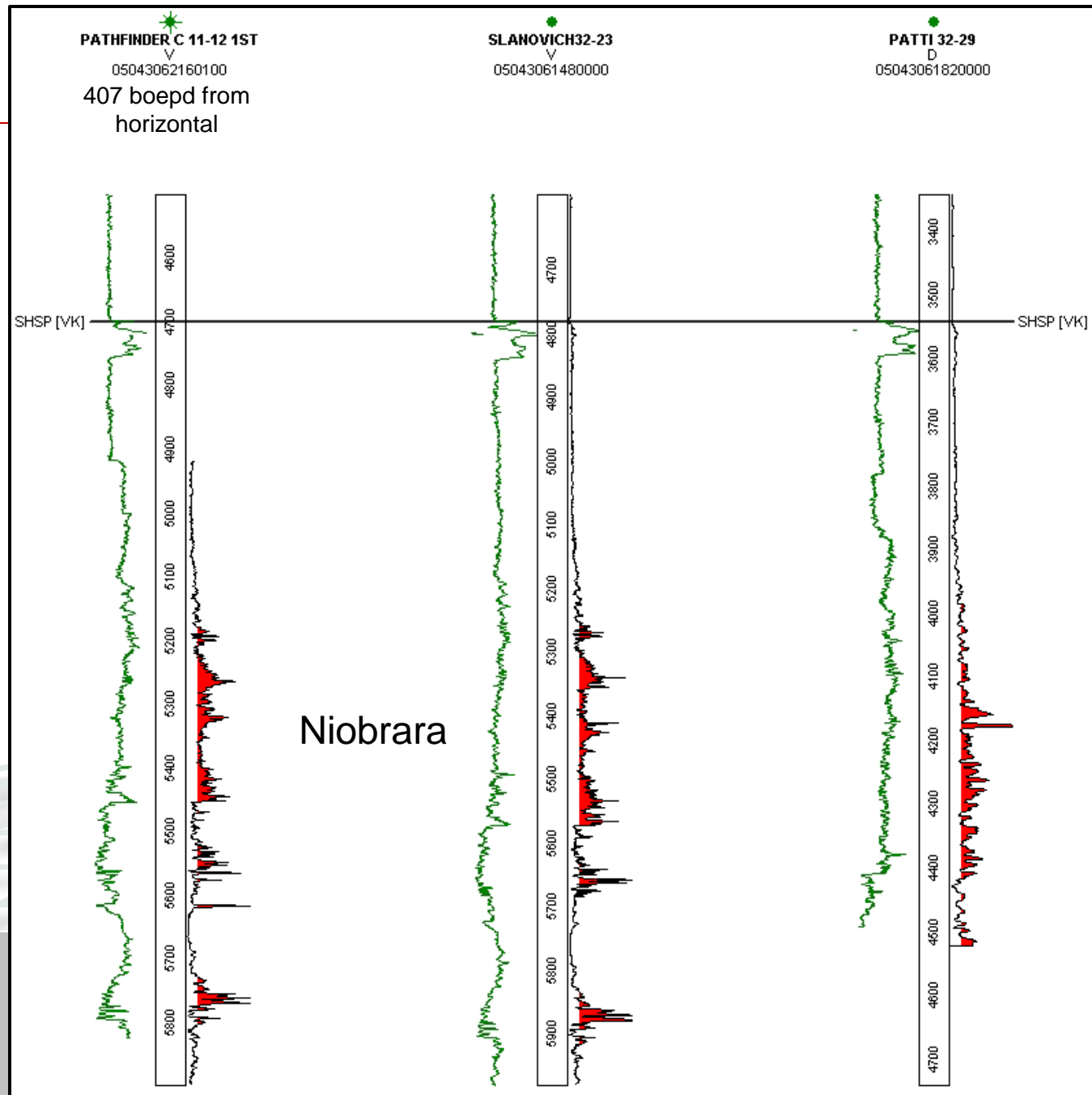
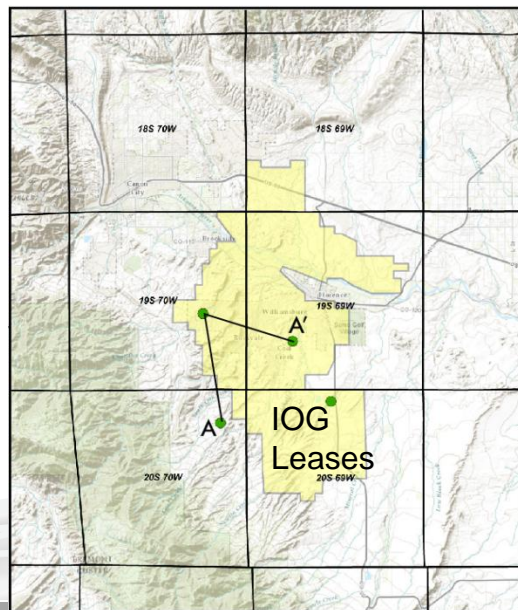
DJ Basin Stratigraphic Column Multiple Target Zones



8/15/2013

PDC Energy; NASDAQ-PDCE; Market Cap \$1.5 billion

NIOBRARA LATERALLY UNIFORM AT FLORENCE



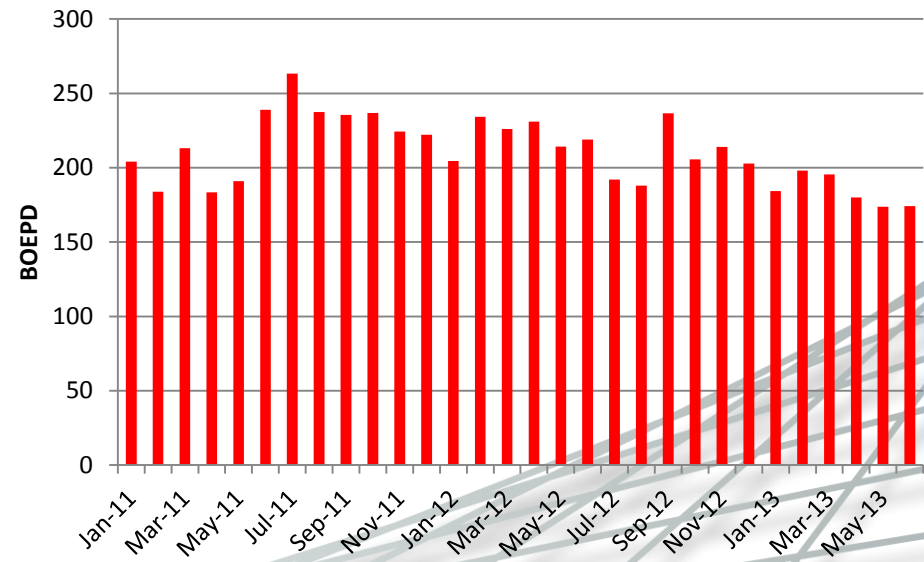
IOG's NIOBRARA PLAN 2013

- **Four wells being permitted**
- **Will target natural fractures in Niobrara**
- **Niobrara petroleum system different to shallow fractured shale**
- **Two wells to be drilled in late 2013**
- **Estimated \$1.4m each**
- **Targeting natural fractures...wells will not be fraced**

Projects, California



Sheep Springs + Round Mountain (BOEPD Avg)



- Drilled 11 wells, 8 successful
- Revenue \$26m
- IRR 34%
- Sold SS & RM August (SALE PRICE US\$13m)

WHY SELL PROFITABLE CALIFORNIA OILFIELDS ?

CONCENTRATE ON LARGER AREA PLAYS SUCH AS FLORENCE

FUNDS USED TO:

- **DEVELOP FLORENCE, ESPECIALLY NIOBRARA**
- **PURCHASE NEW LONG LIFE CONVENTIONAL FIELDS**
- **PAY OUT EXISTING DEBT**
- **WORKING CAPITAL**

REMAINING FLORENCE PRODUCTION WILL KEEP CASH FLOW POSITIVE

IOG TEAM

From left:

Cronin: No 2 in Woodside (23 years)

Stowell: Founder of Anvil and Mawson West, CA

MacDonald: 13 years in Senate, LLB

McGann: 40 years geologist worldwide, CPG

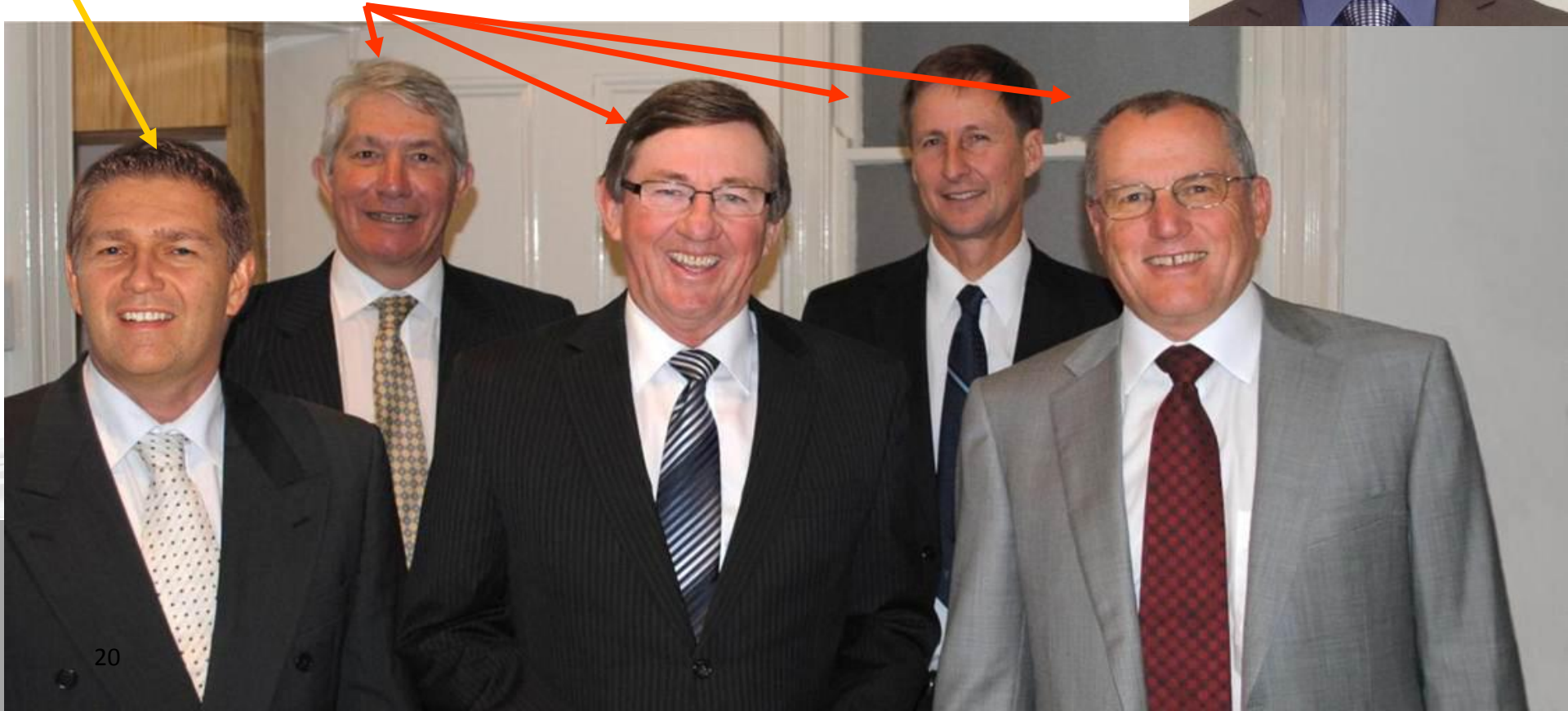
Adams: 20 years Accountant.

John Whisler
VP USA



CFO

DIRECTORS



12 Months Projected News Flow

- **New 3D Seismic, Florence Field**
- **Drill 2-3 wells, Florence Field**
- **Purchase another long life, profitable oilfield**
- **Continue to be cash flow positive**