

25 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

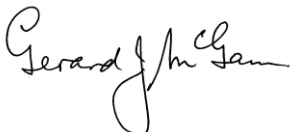
### **Smoot 5 discovers more than 100 feet of oil pay**

Smoot 5 in Incremental's 100% owned Round Mountain project was spudded on November 19<sup>th</sup> and was drilled to a total depth of 2300 feet. Preliminary review of the logs suggests more than 100 feet of net pay in the two shallowest reservoirs that were the main objective of this vertical well.

Logging is still underway and results of analysis will be reported when they are available. Ongoing plans are to case, stimulate and bring the well on to production in the coming weeks. The rig will meanwhile move to Smoot 6 which is expected to take about 5 days to drill and complete. The existing four Smoot wells drilled earlier this year continue to perform well.

Gerry McGann, Incremental's Managing Director, commented; "Preliminary review of the Smoot 5 logs is encouraging. The well is a substantial stepout and was designed to test the westerly and downdip limits of the Jewett and Pyramid Hill accumulations. These preliminary results suggest at least 6 infill well locations on the company's Round Mountain project can be identified immediately."

Yours sincerely



Gerry McGann  
Managing Director