



INCREMENTAL OIL AND GAS LTD
ACN 138 145 114
NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT
TO SHAREHOLDERS

**NOTICE IS INCLUDED FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON
TUESDAY, 31 MAY 2011
AT 10.00AM
AT 16 PHILLIMORE STREET
FREMANTLE WA 6160**

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it, or any part of it,
you should consult with your professional advisers without delay.

**You are encouraged to attend the meeting, but if you cannot, you are requested to
complete and return the enclosed Proxy Form without delay to
Incremental Oil and Gas Ltd at
Unit 2, 16 Phillimore Street, Fremantle WA 6160
or by facsimile on facsimile number (+61 8) 9481 2394.**

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INCREMENTAL OIL AND GAS LTD

ACN 138 145 114

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Incremental Oil and Gas Ltd ("the Company") will be held as specified below:

TIME: 10.00am

DATE: Tuesday, 31 May 2011

LOCATION: 16 Phillimore Street, Fremantle WA 6160

**This is an important document that should be read in its entirety.
If you do not understand it, you should consult with your professional advisers without delay.**

If you wish to discuss any aspects of this document with the Company, please contact Mr. Gerry McGann, Managing Director, or Ms. Susan Hunter, Company Secretary, on (+61 8) 6219 5069.

Words and phrases used in the Resolutions are defined in Section 6 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

ORDINARY BUSINESS

Financial Reports

To receive and consider the financial report and the directors' and auditors' reports for the year ended 31 December 2010.

RESOLUTION 1: Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 31 December 2010 be adopted."

Note – the vote on this Resolution is advisory only and does not bind the Directors or the Company.

RESOLUTION 2: Re-election of Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Mark Stowell being a Director of the Company who retires by rotation pursuant to rule 8.1(d) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

RESOLUTION 3: Appointment of Auditor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To consider and if thought fit to appoint Stantons International Audit and Consulting Pty Ltd trading as Stantons International as auditors of the Company."

RESOLUTION 4: Increase in Non-Executive Directors' Fees

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.17 and for all other purposes, approval is given for the Company to be authorised to increase the aggregate amount of non-executive Directors' fees from \$250,000 to \$350,000 per annum."

VOTING EXCLUSION STATEMENT: The Company will disregard any votes cast on this Resolution by any Director of the Company or any Associate of any Director of the Company. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual General Meeting.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the Proxy Form by facsimile to the Company on +61 8 9481 2394;
- deliver or post the Proxy Form to the Company at Unit 2, 16 Phillimore Street, Fremantle WA 6160.

Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act, the Directors have set 10.00am (WST) 29 May 2011 as the time and date to determine who are the holders of the Shares in the Company for the purposes of the Annual General Meeting. Accordingly Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 18 April 2011

By order of the Board



Susan Hunter
Company Secretary

INCREMENTAL OIL AND GAS LTD
ACN 138 145 114

EXPLANATORY STATEMENT TO SHAREHOLDERS

This Explanatory Statement has been prepared to assist Shareholders of the Company in understanding the business to be put to Shareholders for their consideration at the forthcoming 2010 Annual General Meeting of the Company.

The Directors recommend that you read this Explanatory Statement and attend the forthcoming 2010 Annual General Meeting.

1. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditors for the year ended 31 December 2010 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditors are contained in the Company's 2010 Annual Report, a copy of which is available on the Company's website at www.incrementaloilandgas.com.

While no resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

The Company's auditor will also be present at the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report which details the Company's policy on the remuneration of directors and senior executives is included in the Company's 31 December 2010 Financial Report, a copy of which is available on the Company's website at www.incrementaloilandgas.com.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR (MR. MARK STOWELL)

Clause 8.1(d) of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded to the nearest whole number), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 8.1(d) of the Constitution is eligible for re-election.

The Company currently has three Directors (excluding the Managing Director) and accordingly one must retire. As all of the Directors were appointed on the same date, Mr. Mark Stowell has agreed to retire by rotation pursuant to clause 8.1(d) of the Constitution and seeks re-election.

Mr. Stowell has over 20 years of corporate finance and business management experience in a large variety of roles. Mr. Stowell's initial senior role was Manager of Corporate Finance at Arthur Andersen, involved in significant IPO and merger activity in the resource and energy sectors.

Mr. Stowell was a founder and board member for seven years of Anvil Mining, a significant African based copper mining company, listed on the ASX and subsequently the Toronto Stock Exchange. In 2004 he was a joint founder and Director of Incremental Petroleum Ltd and remains a non-executive director of Incremental Petroleum under the new owners subsequent to its acquisition by TransAtlantic Petroleum (TNP:TO).

Mr. Stowell was a joint founder and now Chairman of Mawson West Ltd, a copper producer in Africa. Mr. Stowell is a founding investor in IOG. He is also a director of Orrex Resources Ltd and Kula Gold Ltd.

The board unanimously supports the re-election of Mr. Stowell.

4. RESOLUTION 3: APPOINTMENT OF AUDITOR

The Company was converted to a public company on 16 March 2010. Due to an internal restructure of Stantons International Pty Ltd trading as Stantons International a new authorised audit company, Stantons International Audit and Consulting Pty Ltd trading as Stantons International, has been incorporated. In accordance with the Corporations Act 2001 there is a requirement for shareholders to approve the appointment of Stantons International Audit and Consulting Pty Ltd trading as Stantons International as the auditor of the company.

Attached as Annexure A to this Explanatory Statement is a nomination signed by a member of the Company for appointment of Stantons International Audit and Consulting Pty Ltd trading as Stantons International as auditor in accordance with section 328B of the Corporations Act.

The Directors recommend that the Shareholders vote in favour of this Resolution.

5. RESOLUTION 4: INCREASE IN NON-EXECUTIVE DIRECTORS' FEES

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees paid to non-executive Directors by \$100,000 from \$250,000 to \$350,000 per annum.

Listing Rule 10.17 provides that an entity must not increase the total amount of Directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. Listing Rule 10.17 does not apply to the salaries of executive Directors.

On 18 April 2011, the Directors resolved to seek Shareholder approval to increase the aggregate remuneration of non-executive Directors of the Company from \$250,000 to \$350,000 per annum. It is not intended to use the maximum amount immediately. The Chairman currently receives \$81,750 per annum, inclusive of statutory superannuation contributions, and the two non-executive Directors, each receive \$54,500 per annum, inclusive of statutory superannuation contributions. Therefore currently total annual non-executive Director fees amount to \$190,750.

The proposed increase in fees will:

- provide scope to appoint additional non-executive Directors to enhance the breadth and skills of the Board;
- accommodate increases in fees payable to each non-executive Director based on future reviews of fees paid to non-executive directors in similar companies; and
- ensures the Company's fee structure remains competitive with similar companies.

Maintaining a fee "buffer" of \$159,250 over the current total annual non-executive Director fees payable of \$190,750 will provide flexibility in planning the Board's structure in advance of specific needs arising. This may include increasing the size of its Board as it takes on new functions and responsibilities and seeks to remain flexible and responsive to its dynamic operating environment whilst remaining competitive with similar companies.

6. DEFINITIONS

In this Explanatory Statement:

Annual General Meeting means the meeting of the Shareholders convened for the purposes (including others) of considering the Resolutions contained in the Notice of Annual General Meeting.

Board means the Board of Directors of the Company.

Company means Incremental Oil and Gas Ltd, ACN 138 145 114.

Constitution means the constitution of Incremental Oil and Gas Ltd, ACN 138 145 114.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

Notice of Annual General Meeting means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Proxy Form means the form of proxy accompanying the Notice of Annual General Meeting.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

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ANNEXURE A

Linear A Pty Ltd
A.C.N. 095 496 852
9 Bedford Street
Nedlands WA 6009

15 April 2011

The Board of Directors
Incremental Oil and Gas Ltd
2/16 Phillimore Street
Fremantle WA 6160

Dear Sirs

Incremental Oil and Gas Ltd – Nomination of Auditor

Linear A Pty Ltd, being a member of Incremental Oil and Gas Ltd, ACN 138 145 114 hereby nominate Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) to be appointed as auditors of Incremental Oil and Gas Ltd at the forthcoming 2010 Annual General Meeting of Incremental Oil and Gas Ltd.

Yours faithfully

LINEAR A PTY LTD

A handwritten signature in black ink, appearing to read 'Jonathan Asquith', with a stylized flourish at the end.

Jonathan Asquith
Director

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INCREMENTAL OIL AND GAS LTD
ACN 138 145 114
2010 ANNUAL GENERAL MEETING
FORM OF PROXY

I/We (print name)
of

.....
a member/members of Incremental Oil and Gas Ltd, ACN 138 145 114 hereby appoint

.....
of

.....
or failing him/her

.....
of
or failing him/her, the Chairman of the meeting, as my/our proxy at the Annual General Meeting of the Company to be held commencing at **10.00am on Tuesday, 31 May 2011**, and at any adjournment thereof and to vote for me/us on my/our behalf in respect of all/the following*

.....
of my/our Shares in the manner as set out below.

In relation to any undirected proxies the Chairman intends to vote in favour of all Resolutions.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box.

☐

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr. Mark Stowell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Non-Executive Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2011.

Signature of Member/s

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature		Director/Sole Director
Signature		Director/Company Secretary
Signature		Sole Director and Sole Company Secretary

INSTRUCTIONS FOR COMPLETING THE FORM OF PROXY

1. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and either:
 - send the Proxy Form by facsimile to the Company on +61 8 9481 2394;
 - deliver or post the Proxy Form to the Company at Unit 2, 16 Phillimore Street, Fremantle WA 6160.
2. Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights.
4. *If two proxies are appointed you may delete "all" and insert the relevant number or proportion of Shares in respect of which each such appointment is made. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
5. Should you desire to direct your proxy how to vote, place a cross in the appropriate box for each item, otherwise your proxy may vote as your proxy thinks fit or abstain from voting.
6. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
7. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provision of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
8. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
9. Where a Proxy Form or form of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged with this proxy.