

ASX Announcement/Media Release

24 August 2016

Rig on site - Phase II Work Program Commenced

Incremental Oil and Gas Limited (ASX: IOG) has deployed a rig to its Silvertip Field in Wyoming to commence its Phase II Work Program. The rig is on site and has completed 4 workovers and 2 well recompletions.



Rig conducting well operations at Silvertip Oil and Gas Field

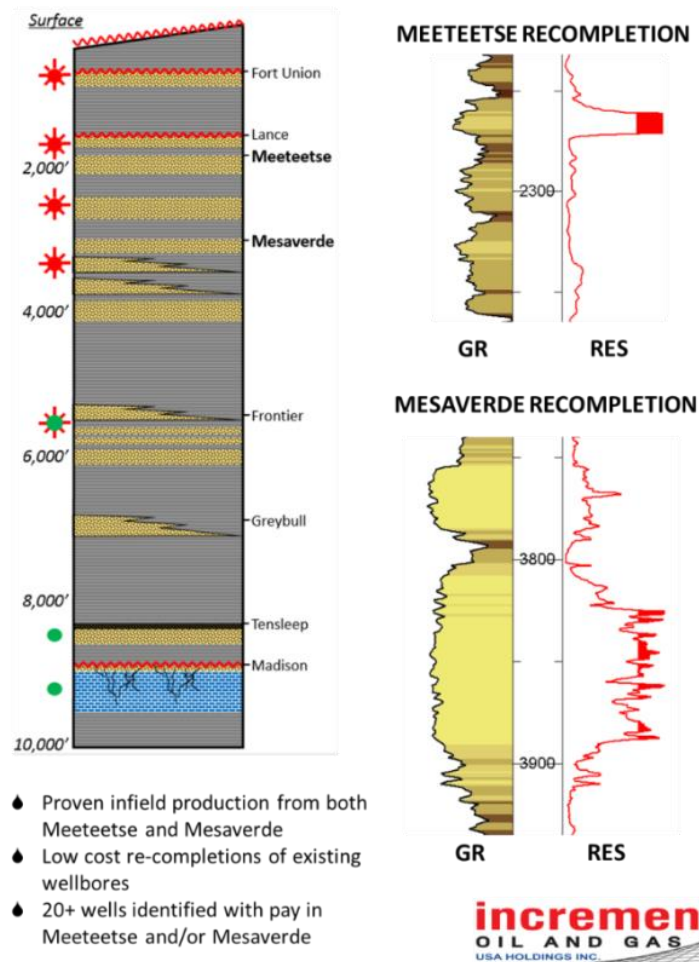
IOG's strategy is to optimize wells and increase production by focusing on behind-pipe opportunities previously bypassed by other operators. IOG purchased the Silvertip Field, located in the Bighorn Basin, in June 2015.

Historically, the majority of the wells in the Silvertip Field have been produced from the Frontier Formation at a depth of approximately 5000-6500 feet (see stratigraphic column below). As the primary target for production from the Silvertip Field, the Frontier Formation is an oil bearing zone with associated gas.

Recently, IOG identified 24 wells that can be recompleted to access natural gas reserves in two shallower formations, the Meeteetse and Mesaverde Formations, which are between 2500 feet (~750 meters) and 4000 feet (~1200 meters) below surface, respectively.

PROVED DEVELOPED NON-PRODUCING SHALLOW GAS

20+ WELLS TARGETING 3 BCFG – LOW COST RECOMPLETIONS



Independent certified engineering analysis has estimated that up to 3Bcf of recoverable gas is available from these 24 recompletion targets (refer ASX announcement dated March 22, 2016).

Production results will be reported in due course.

ENDS

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About the Company:

Incremental Oil and Gas Ltd is an USA onshore focused oil and gas development and production company. The Company's strategy is to identify and acquire low risk, underperforming oil and gas fields and apply modern technology and expertise to increase production and enhance hydrocarbon recovery, and increase net cash flow to grow the business.

Incremental has a portfolio of oil and gas producing projects in Wyoming, Colorado and California, USA.

Incremental is the operator of the Silvertip (WY), Florence (CO), Sheep Springs (CA) and Round Mountain (CA) Fields with 100% of the working interest and NRIs between 78.5 - 87.5%.

GLOSSARY

Behind-pipe	Reserves present in formations that existing wellbores have passed through to reach their original targeted formation. Behind-pipe reserves require recompletion work prior to the start of production.
IP	Initial Production - The rate of initial flow from an oil and gas well
Mcf	One thousand cubic feet (natural gas volumetric measurement)
Mcfd	Mcf per day
Recompletion	The completion of an existing wellbore in another formation from that in which the well was previously completed
Workover	The repair or stimulation of an existing producing well for the purpose of restoring, prolonging or enhancing the production of hydrocarbons

FORWARD LOOKING STATEMENT

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Incremental's views and assumptions with respect to future events as of the date of this Press Release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth to various factors, many which are beyond our ability to control or predict. Some of the risk and other factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological, technical and drilling results; predicted production and reserves estimates; operational delays or unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Incremental, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Press Release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.