

A photograph of an oil field under a blue sky with scattered clouds. In the foreground, a pumpjack is visible on the right side, with its long arm and counterweight extending upwards. To the left, there are three large, cylindrical oil storage tanks. The ground is dry and dusty. In the background, there are rolling hills and mountains, with a small town visible in the distance. The text "INCREMENTAL OIL and GAS (asx: IOG)" is overlaid in the top left, and "EXCELLENCE in OIL MARCH 2013" is overlaid in the center. The website "www.incremental油和gas.com" is at the bottom left, and "Page 1" is at the bottom left corner.

**INCREMENTAL OIL and GAS (asx: IOG)**

**EXCELLENCE in OIL  
MARCH  
2013**

[www.incremental油和gas.com](http://www.incremental油和gas.com)

# DISCLAIMER AND IMPORTANT NOTICE

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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

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- A producing oil company with a cash flow focus
- 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)
  - **Ventura** development project (25% WI)
- We operate all of our projects except Ventura

# IOG Capital Structure

- Formed 2009 as Private Company
- Listed January 2011 after raising \$5.3m at 30 cents.
- 486 shareholders
- 155.6m shares (Directors and management 37.3%)  
92.8m unlisted options<sup>1</sup>
- Market cap about \$46 million
- US\$6m Debt

	2010	2011	2012
REVENUE	\$6.17m	\$7.70m	\$16.04m
EBITDA	\$2.40m	\$2.98m	\$6.91m

1. Options exercisable at \$0.20 on or before 1 November 2014



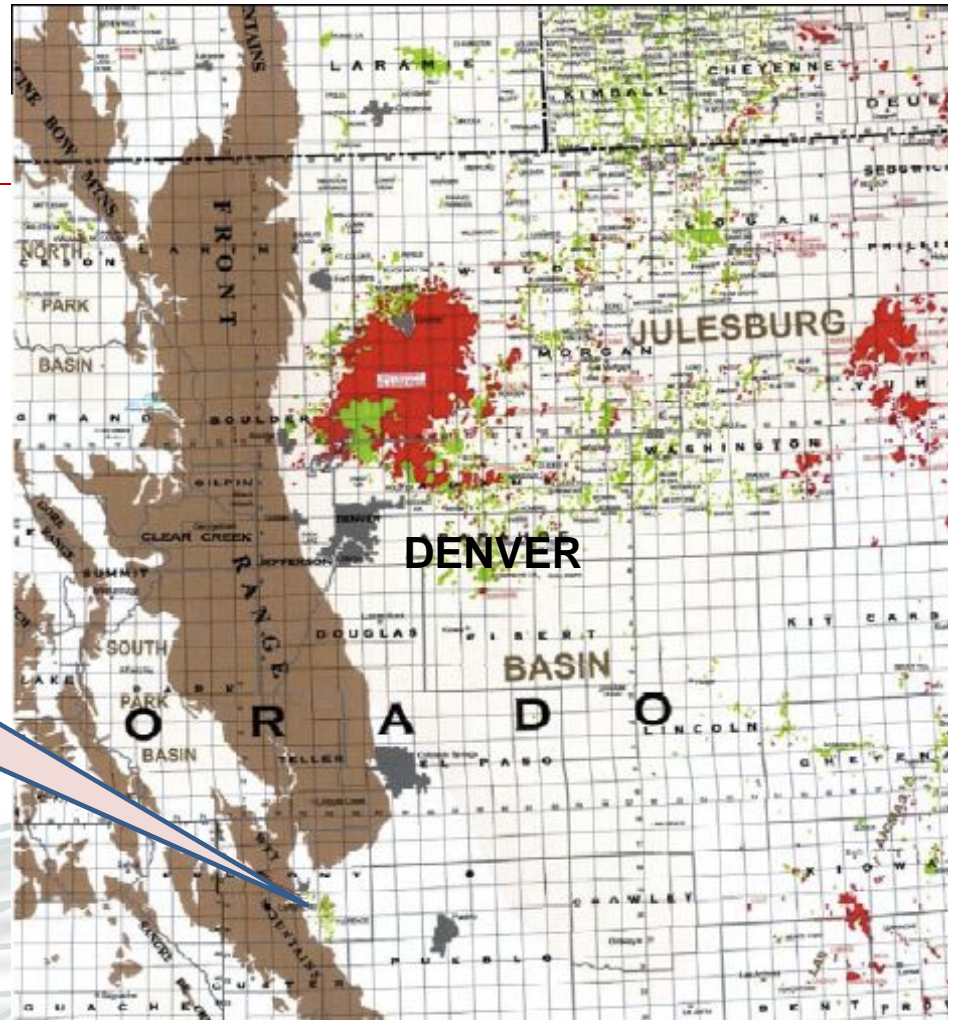
Incremental Oil and Gas, California & Colorado, USA  
Project Location Map





# NEW ACQUISITION

FLORENCE OILFIELD



# Florence Oil Field

Drilled first in 1862

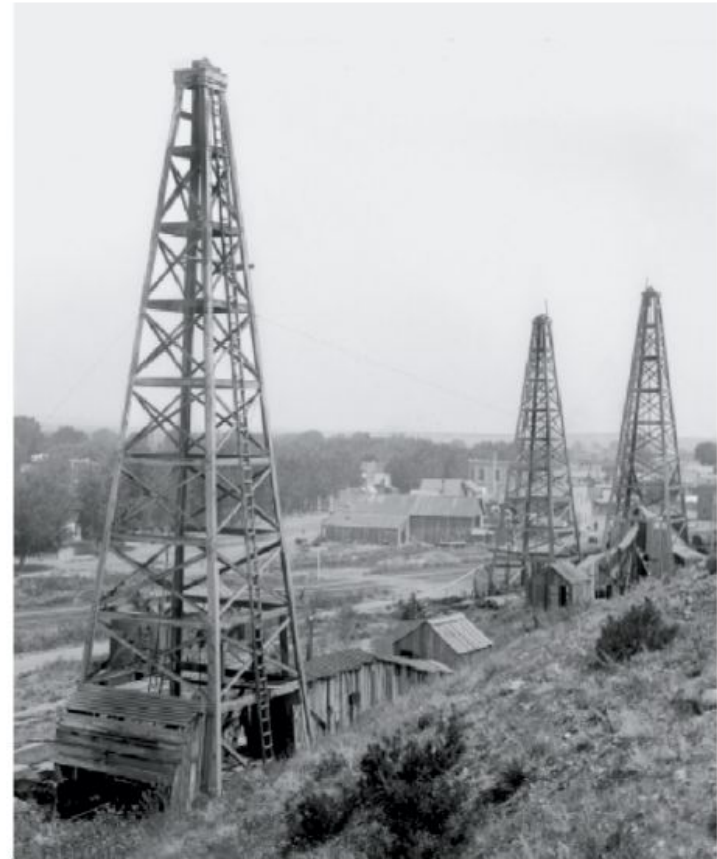
400 Shallow wells drilled

15m barrels produced

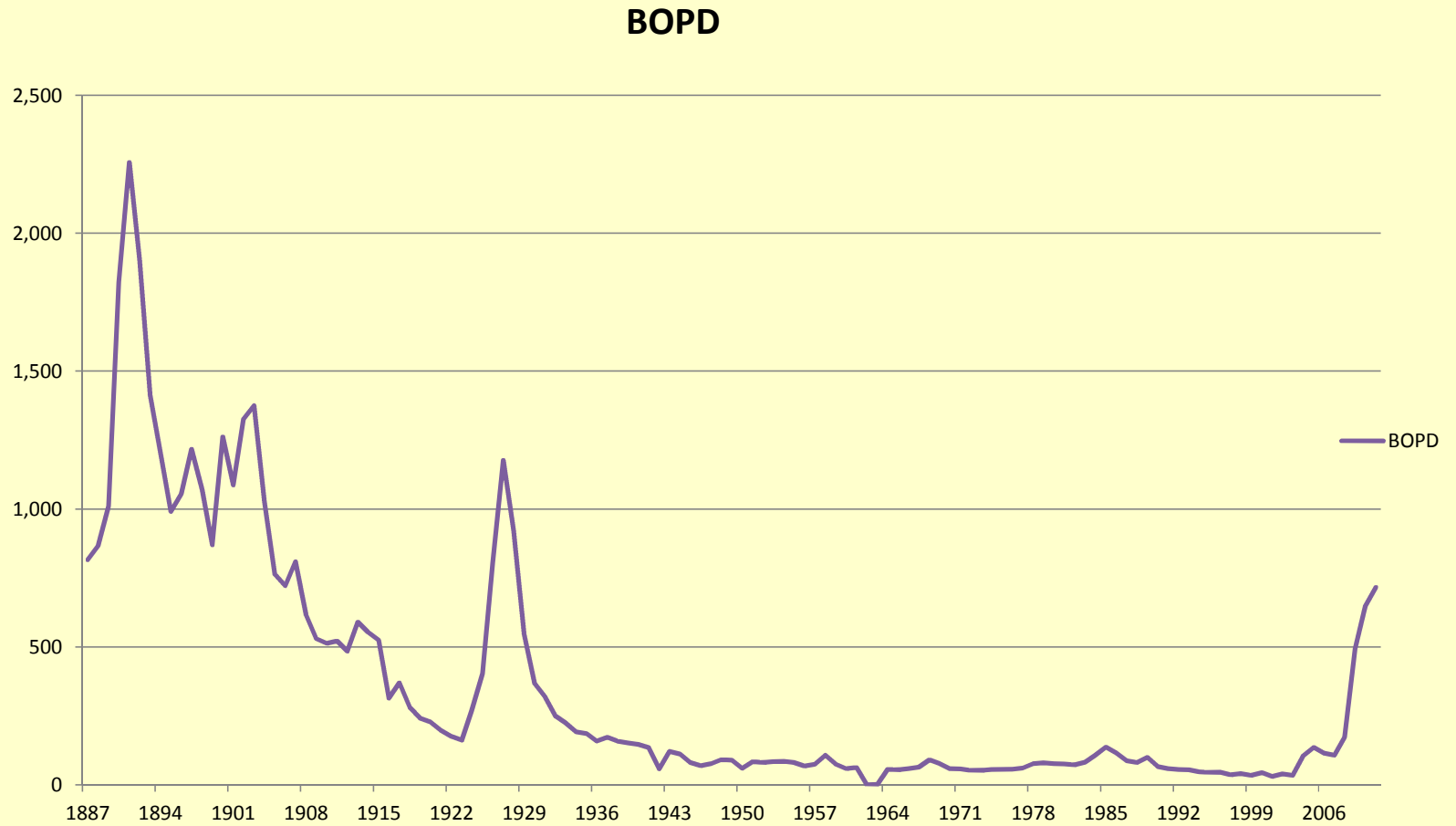
Produces from fractured shale 1800-3600' deep

Revitalised by seller in last 4 years

Av 700 bopd over last 2 years



*Florence has been producing for over 125 years*



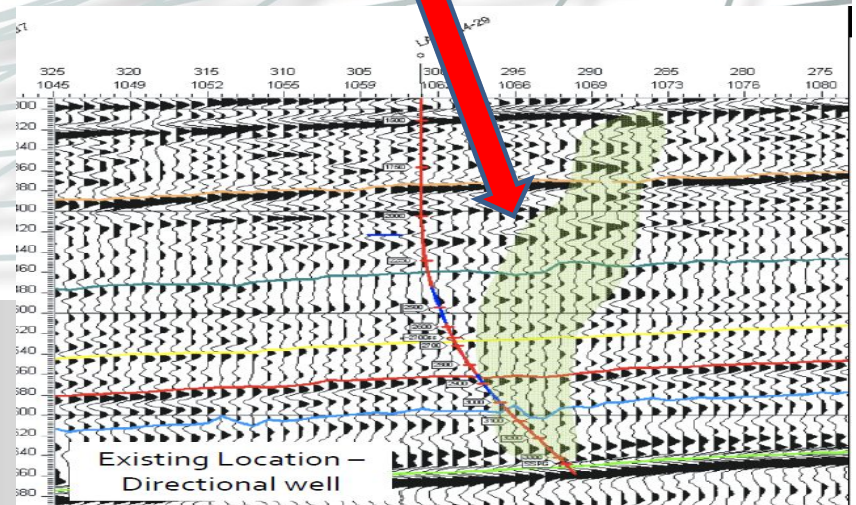


# FLORENCE FIELD

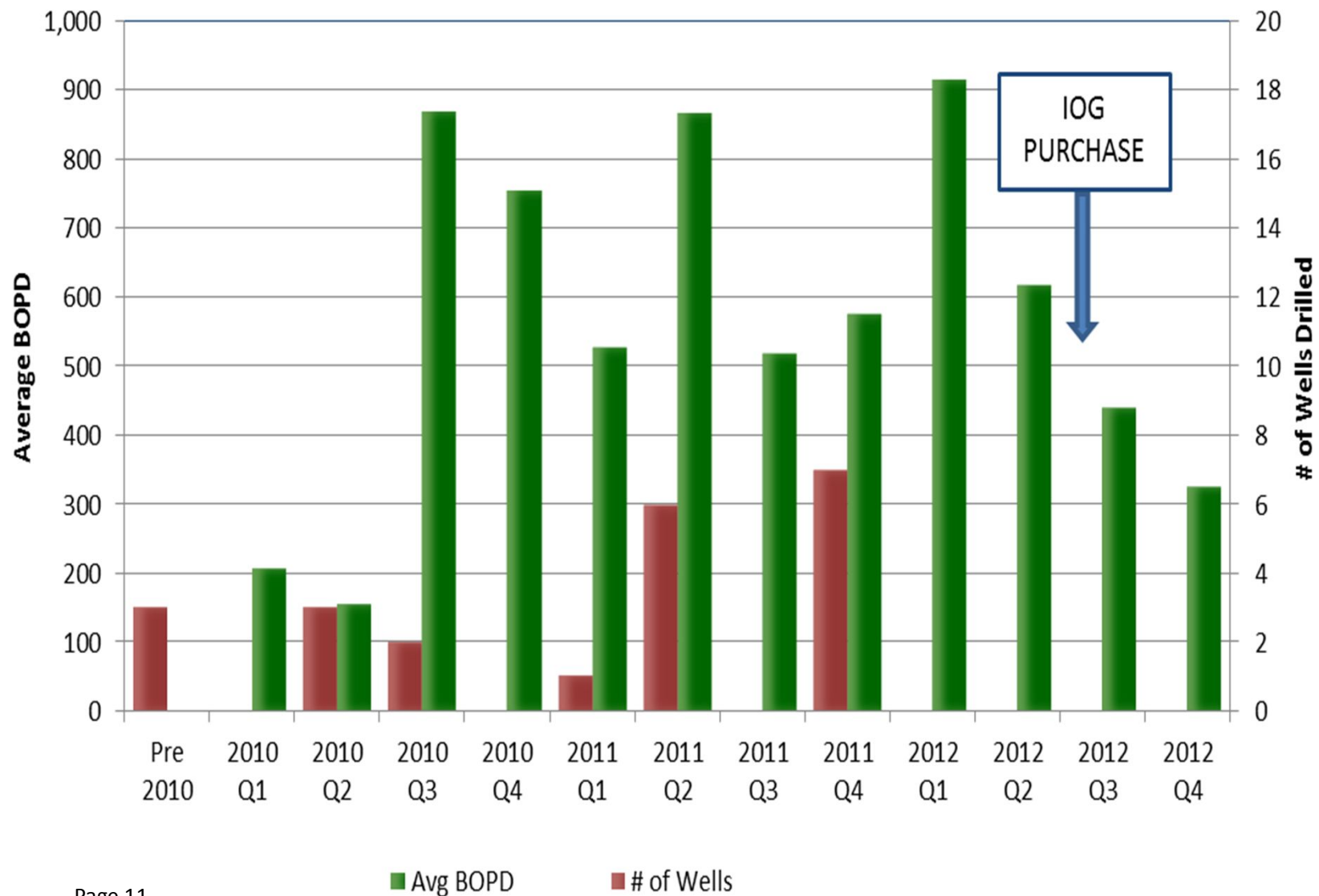
- 21 Producing wells
- High initial rates and quick payout
- Light, sweet crude (WTI pricing)
- Wells inexpensive, simple
- Wells located from 3D seismic
- Wells can decline quickly
- No water production, low opex
- IOG has over >20,000 acres leased
- 100% WI, avg 80% NRI

# PIERRE FM POTENTIAL

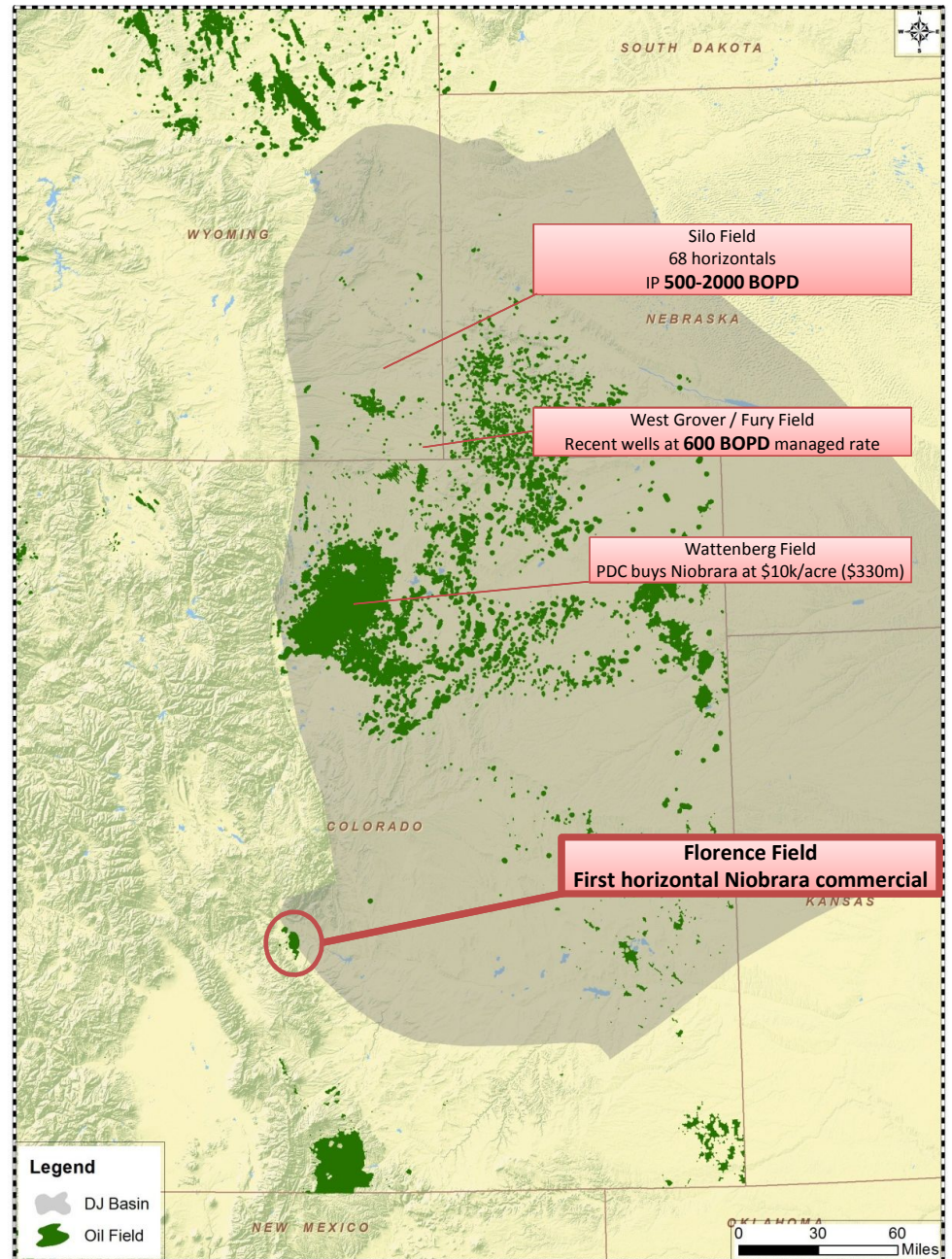
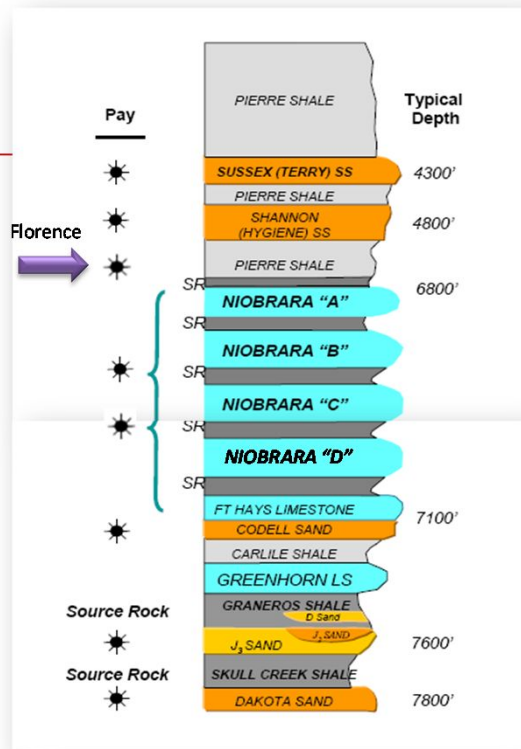
- Excellent quality 3D seismic over much of our leases
- Fracture zones clearly visible and mappable on seismic
- At least 15 anomalies remain undrilled
- First two wells drilled not great, but lots of new data
- Next campaign will concentrate on western part of field



# FLORENCE PRODUCTION







## Niobrara

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

## NEW NIOBRARA WELL ON OUR DOORSTEP

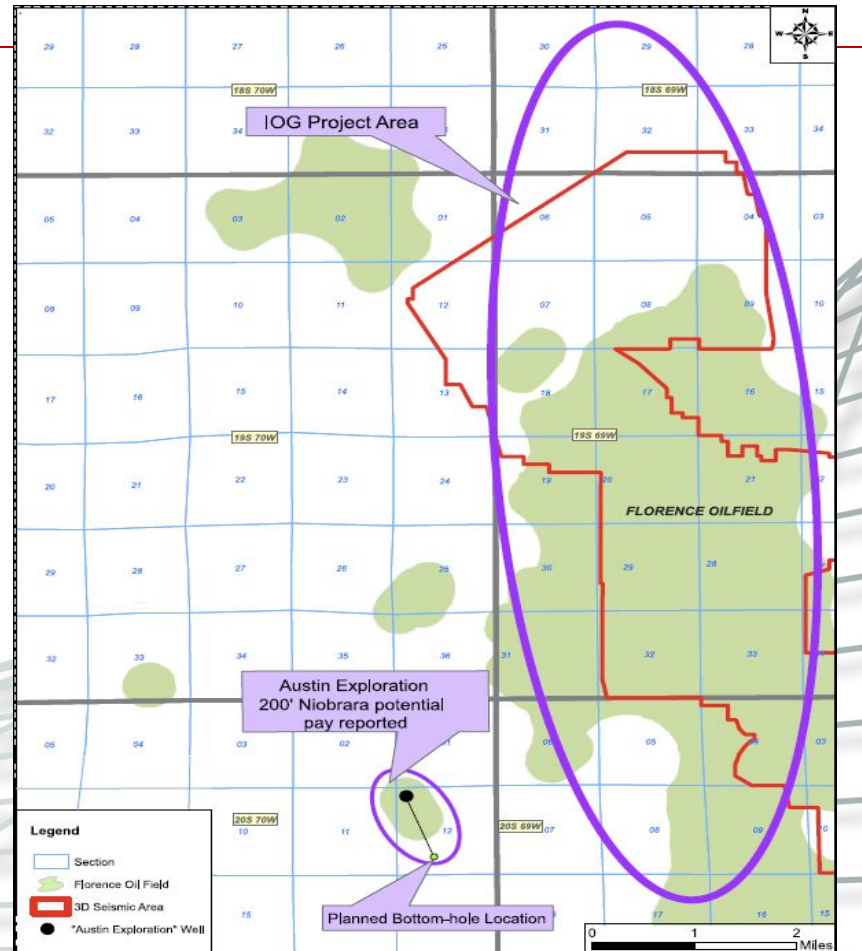
AUSTIN (AKK) drilled 300m from our western boundary

## Reported 200' 'potential pay' in Niobrara

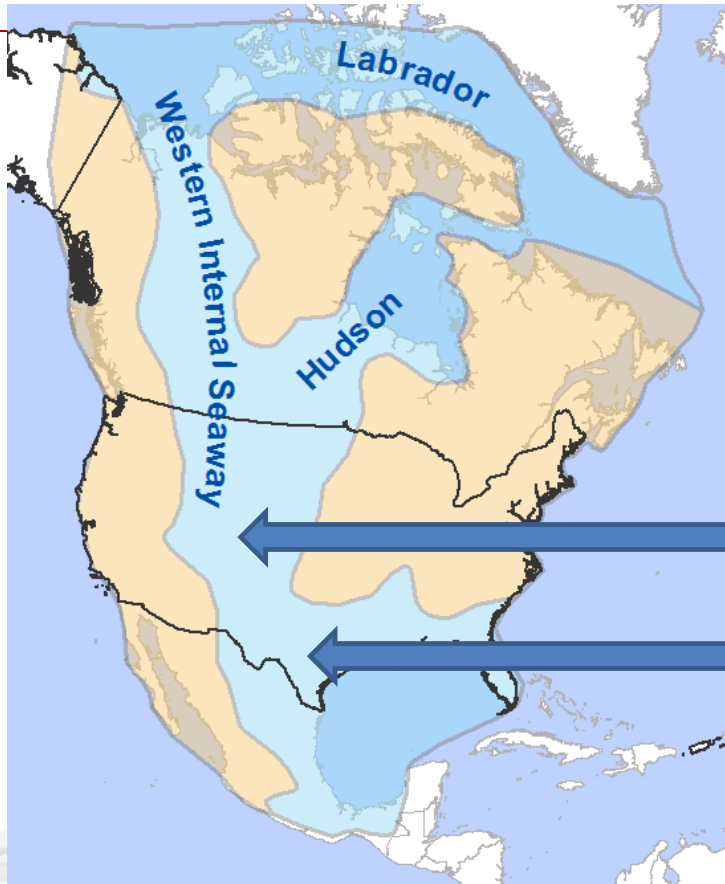
Then drilled 4000' horizontal well, with  
18 stage frac

Oil to surface immediately went on pump

## Reported rates of 400 boepd



# 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

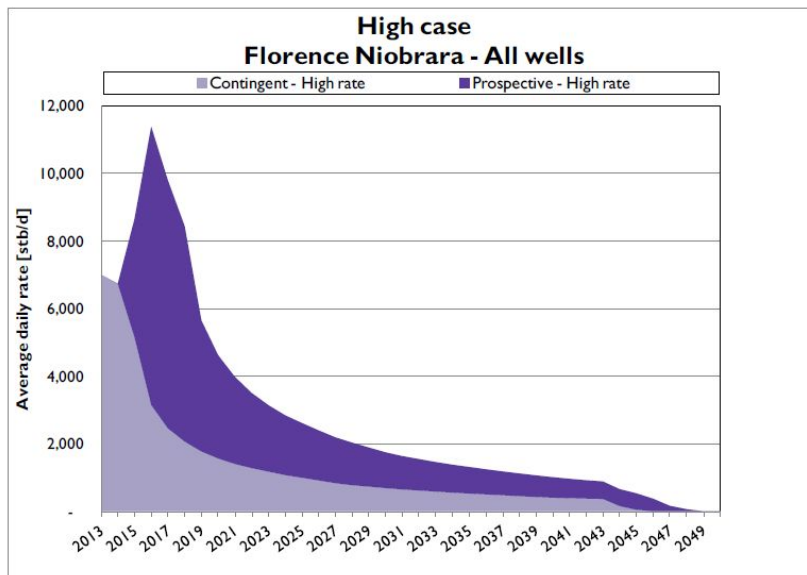
**NIOBRARA FM.**

**EAGLEFORD SHALE**



RPS

## Total Resources – Florence Niobrara High Case



## IOG's INDEPENDENT EXPERT'S REPORT



RPS

## Resources Estimate

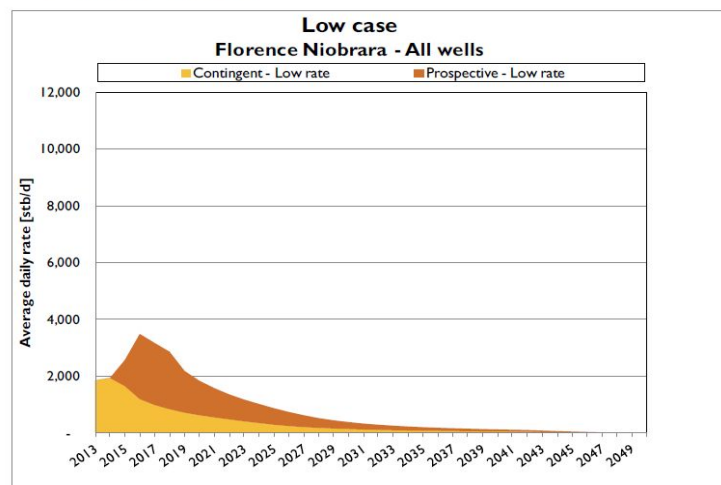
### Assumptions:

- 12 wells drilled per year
- Total number of wells drilled
  - 4000ft HZ length well = 33 wells
  - 2000ft HZ length well = 35 wells
- Abandonment pressure of 500 psia
- Well minimum oil rate of 1 stb/d
- Well production life of 30 years

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RPS

## Total Resources – Florence Niobrara Low Case



## IOG NIOBRARA CERTIFIED RESERVES

Resources	1C/Low	2C/Mid	3C/High
Class	MMstb	MMstb	MMstb
Contingent Resources	5	10	17
Prospective Resources	6	13	22

### IOG DEVELOPMENT SCENARIOS:

#### 1. SELF DEVELOP

- Maintain 100% WI
- Drill 3-4 wells/year
- \$4.5m/completed well
- Minor debt funding, then self funding

#### 2. FARM DOWN

- Farm down to major, retaining significant equity, no cost to IOG

# Niobrara is a Top Oil Resource Play

## Outstanding well economics

“Noble Energy Dec 6, 2012”

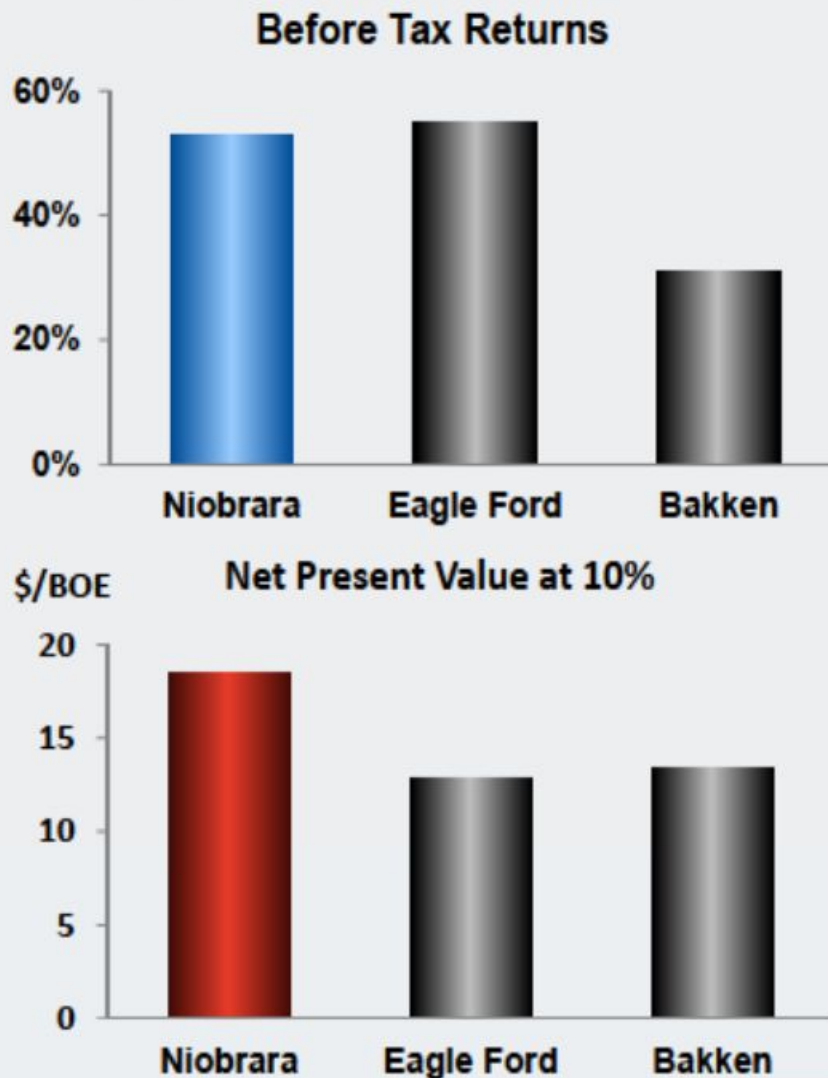
### ► Various Analyst Quotes ...

*“Wattenberg and North Colorado Niobrara among the most economic plays”*

*“We believe NBL has cracked the code in northern Colorado”*

*“... the success of the horizontal Niobrara program is dramatically pulling the growth rate forward”*

**\* NOBLE: 10 billion bbl reserves, 300k bopd**





# IOG TEAM

From left:

**Adams: 20 years Accountant.**

**MacDonald: 13 years in Senate, LLB**

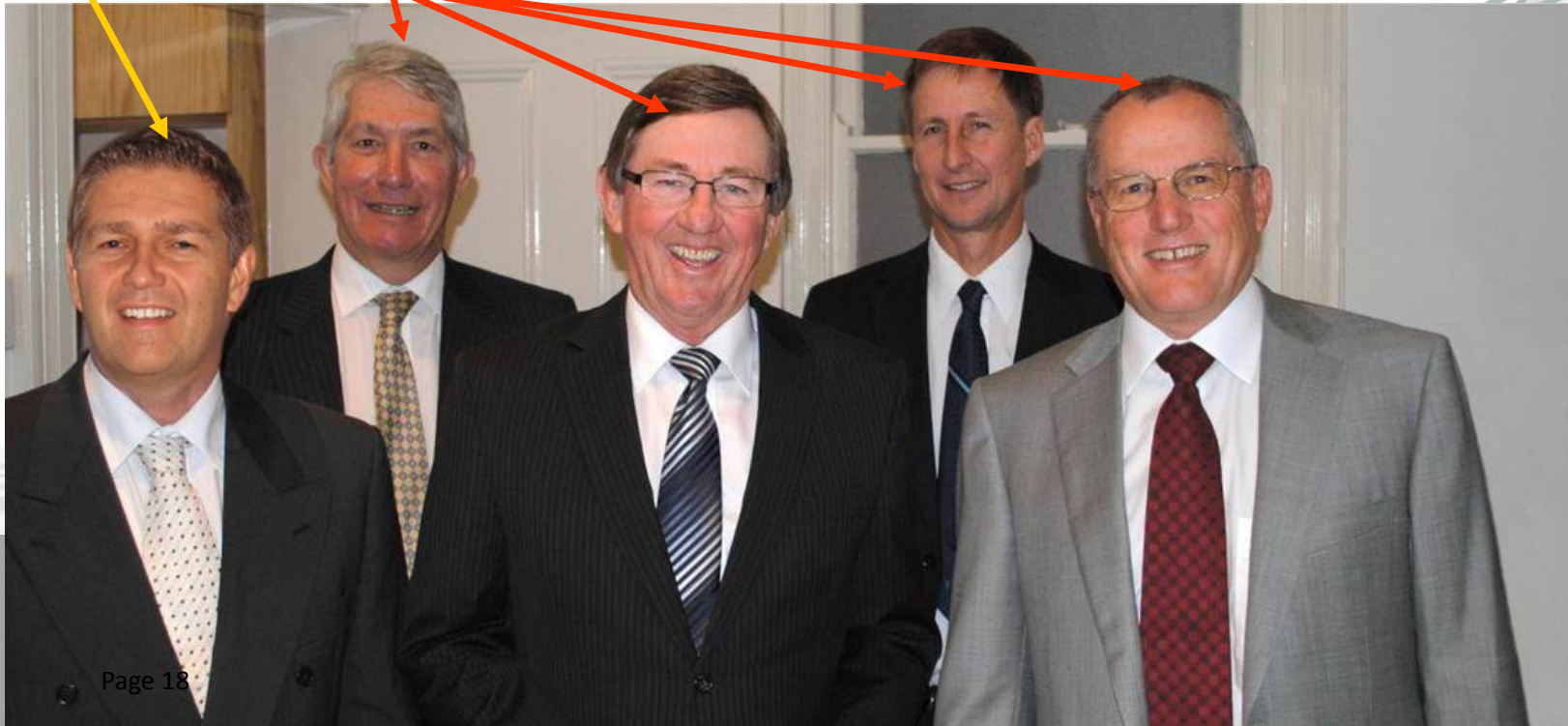
**Cronin: No 2 in Woodside (23 years)**

**Stowell: Founder of Anvil and Mawson West, CA**

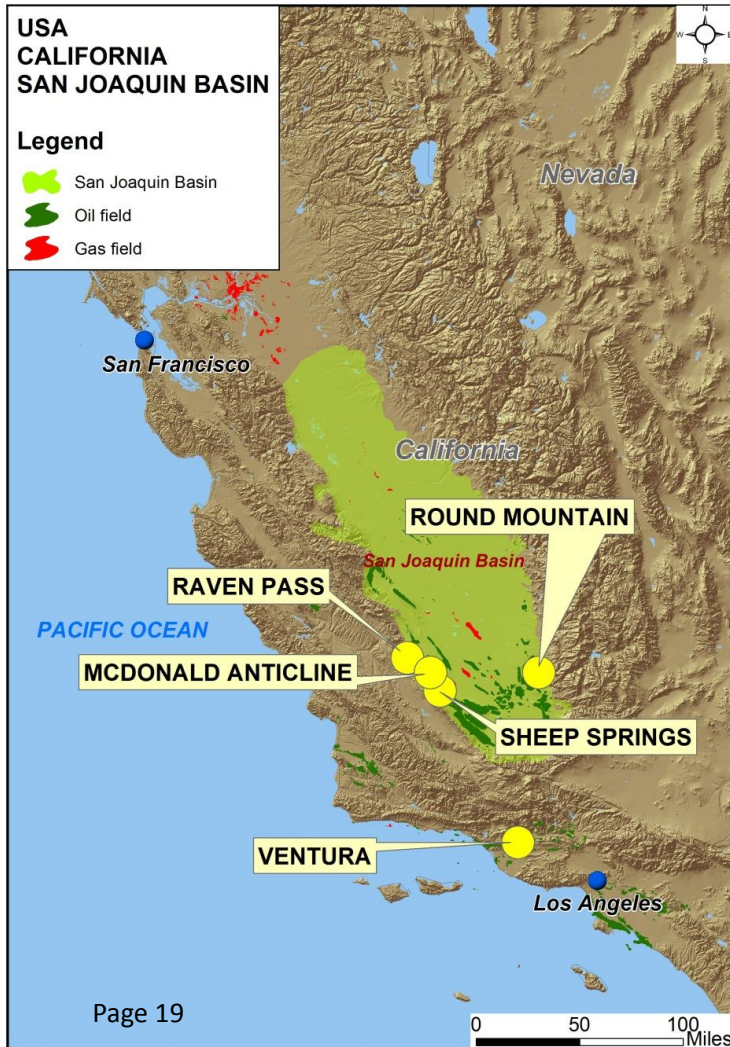
**McGann: 40 years geologist worldwide, CPG**

**CFO**

**DIRECTORS**



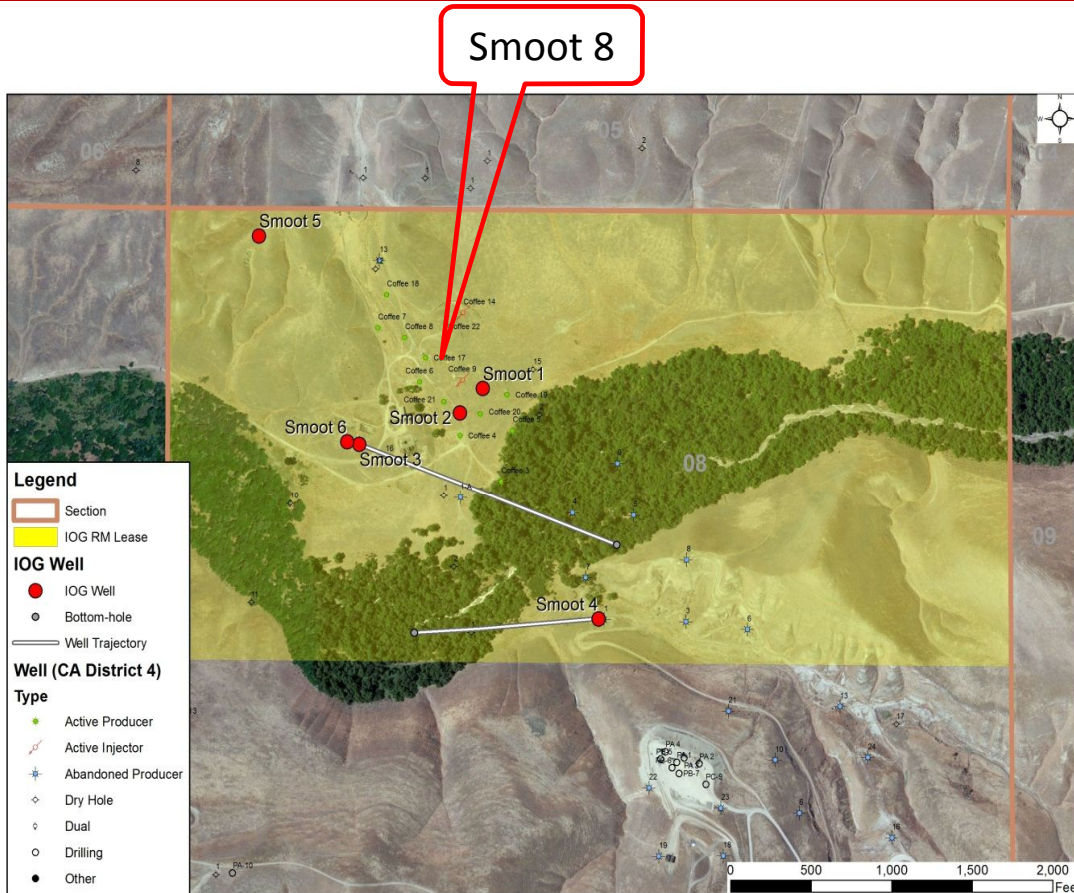
# Projects, California



- Producing **ROUND MOUNTAIN**
- Producing **SHEEP SPRINGS**
- **VENTURA** Development
- **McDONALD A/C** Development
- **RAVEN PASS** Exploration



# Round Mountain



**Drilled 8 wells so far**

**All successful**

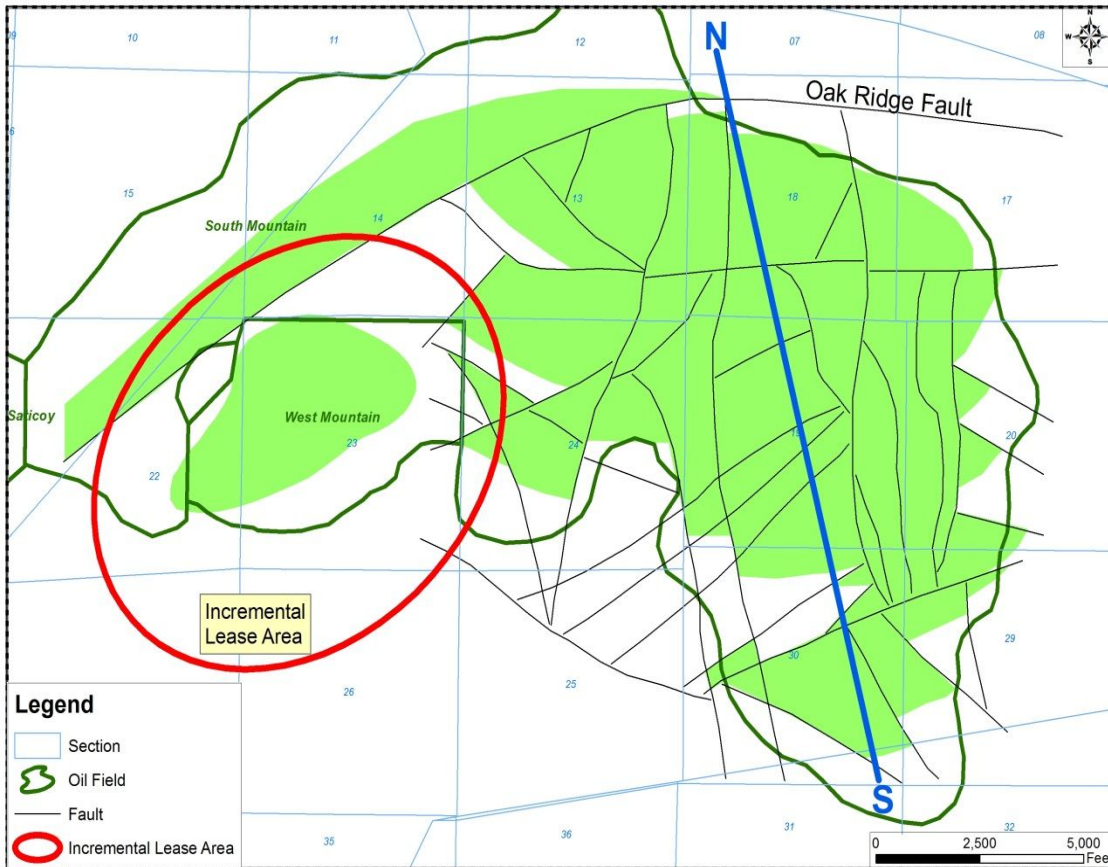
**Production about 100 bopd**

**Six additional locations**

**incremental**  
OIL AND GAS  
LTD



# Ventura Project



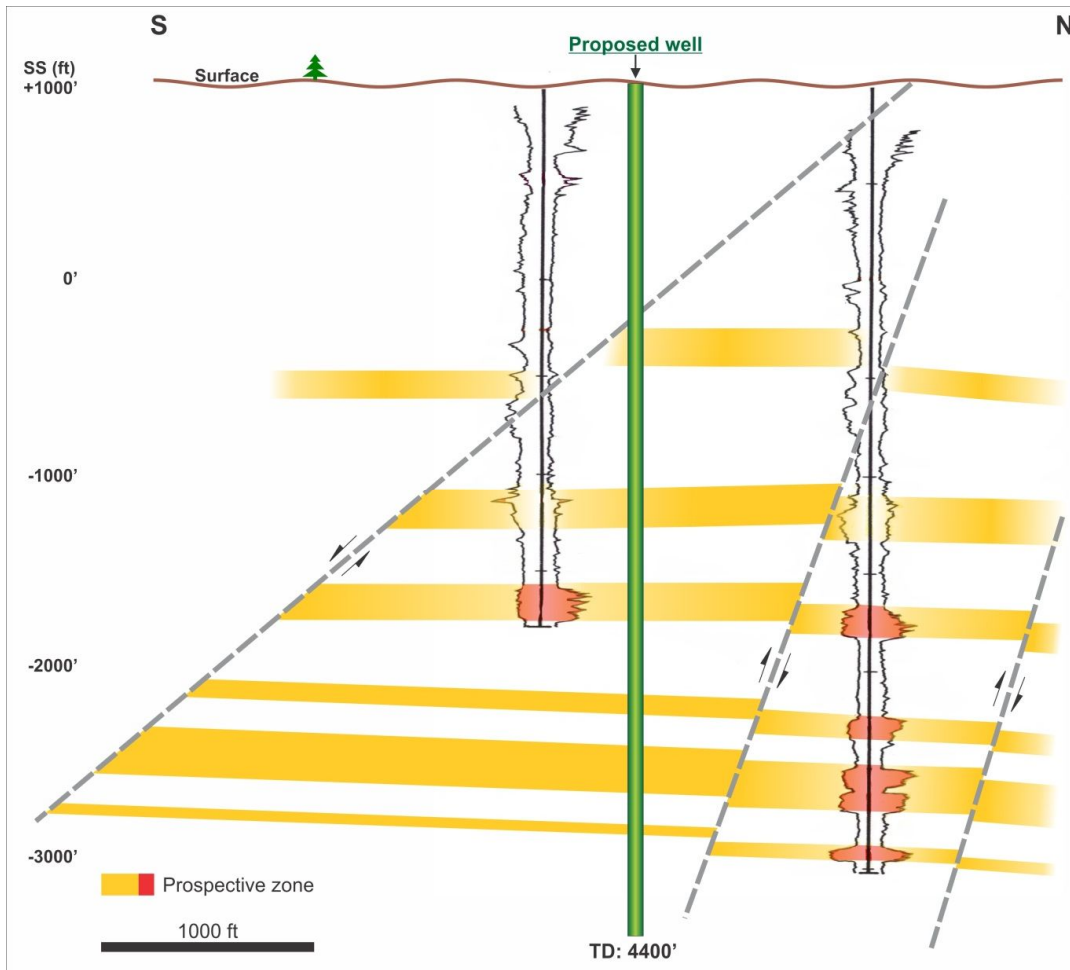
Area produced over 160 million barrels

Very thick oil column

C & H 18 drilled Q1 2013.  
producing >20 bopd

Plans in hand to increase  
prod rate.

# McDonald Anticline



**Produced 22 million barrels**

**Shallow, light oil**

**Multi reservoirs**

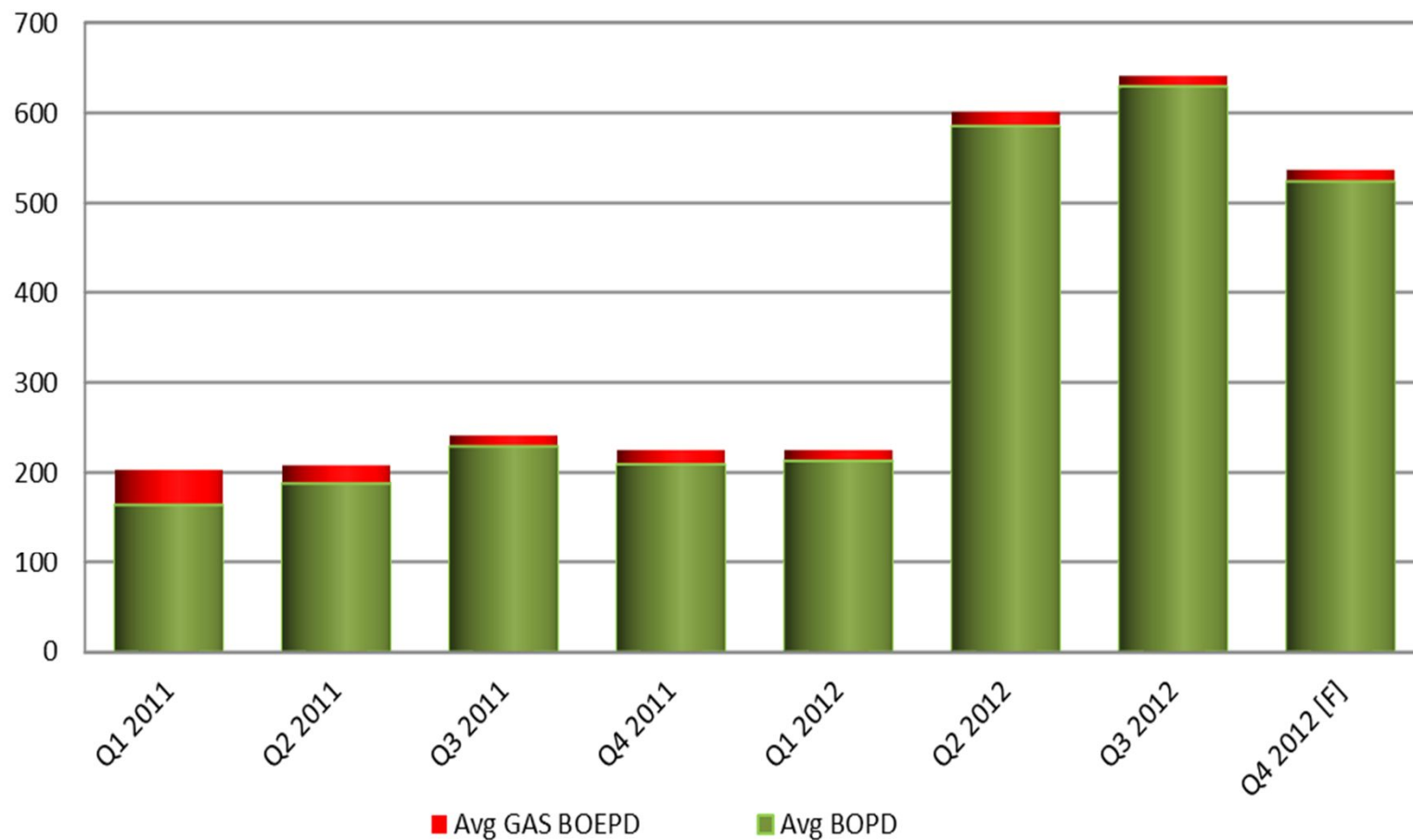
**Large land position**

**Drill in 2013**

**At least 3 well locations**

**incremental**  
OIL AND GAS  
LTD

## Incremental Oil and Gas - Quarterly Production





# 2013 Projected News Flow

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- Drill 1 wells, Ventura Project.....Done
- Drill 2 wells, Florence Field.....Done
- Drill 1 well, McDonald Anticline ... Q3
- Drill 5 wells, Florence Field .....Q3/4 2013
- Declare another after tax profit