

incremental
OIL AND GAS
LTD

COMPANY PRESENTATION
APRIL 2013

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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.

OVERVIEW



Code - IOG

Shares on issue – 155.7m

Options on issue – 92.5m*

Share price range (last 12 months)

High : A\$0.32

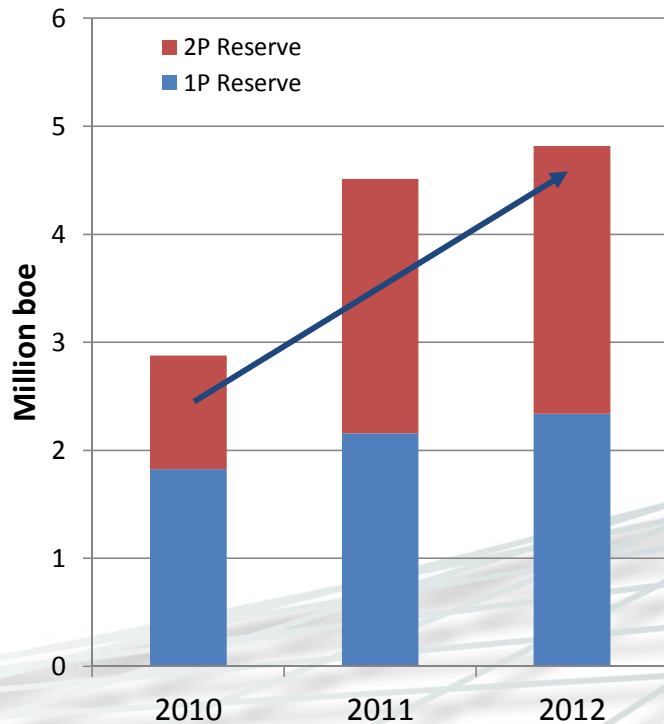
Low : A\$0.21

- ◆ Rapid Growth – revenue, profit, reserves
- ◆ Oil weighted
- ◆ Positive cash flow and strong profit record
- ◆ We acquire underperforming oilfields and increase production
- ◆ Focus is onshore USA

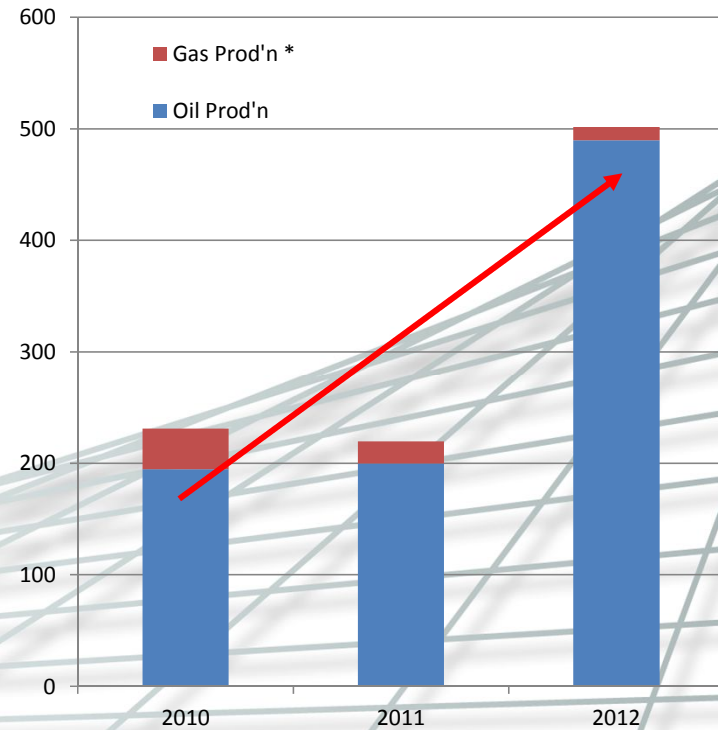
* (A\$0.20, expire 1 November 2014)

GROWTH TRACK RECORDS

Proved & Probably Reserves

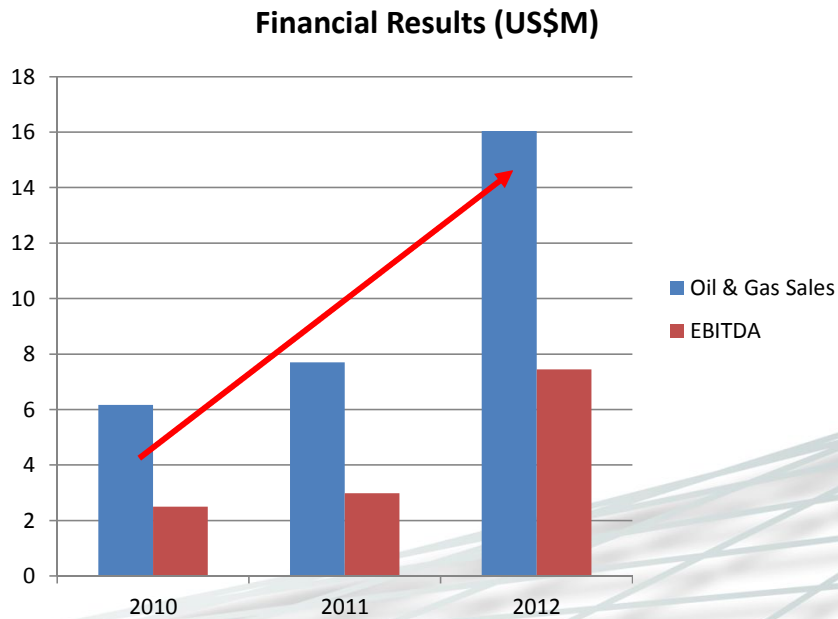


Production (Avg Boe/d)



CONSISTENT GROWTH

Comparison of year-on-year results



OPERATING LOCATIONS



FLORENCE OILFIELD, COLORADO



Acquired May-12

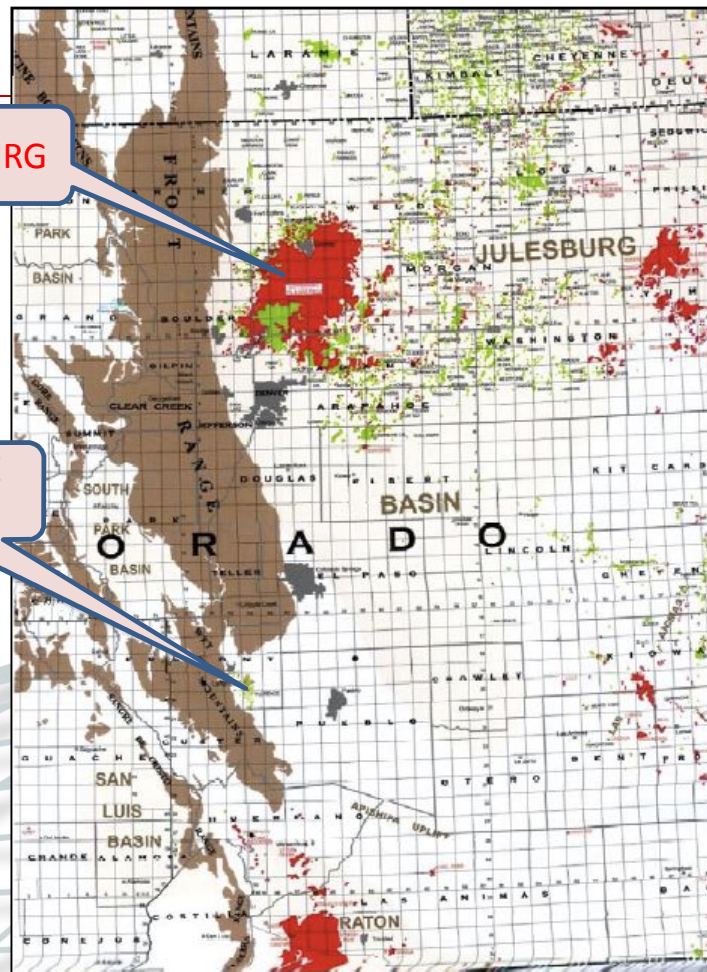
- ◆ 21 Producing wells
- ◆ High initial rate of production and quick payout
- ◆ Light, sweet crude (WTI pricing)
- ◆ Wells inexpensive (~\$650k)

FLORENCE OILFIELD

- ◆ 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

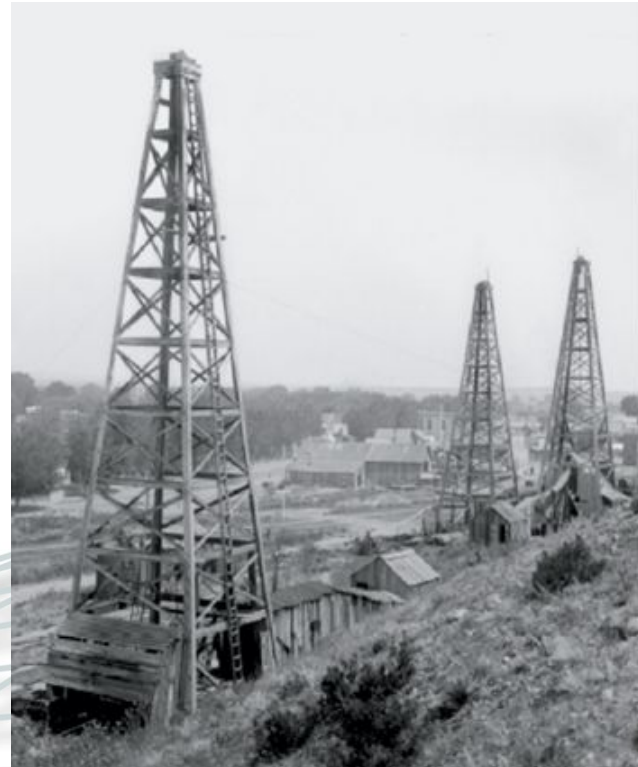
WATTENBURG

FLORENCE
OILFIELD



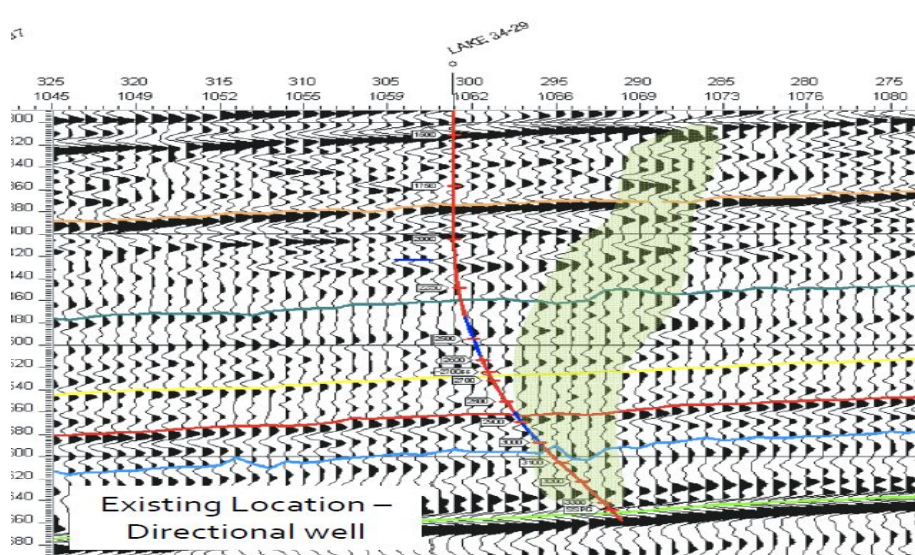
HISTORY OF FLORENCE OILFIELD

- ◆ First drilled in 1862
- ◆ 400 Shallow wells drilled
- ◆ 15M barrels produced
- ◆ Produces from fractured shale
1800-3600' deep
- ◆ Revitalised in last 4 years
- ◆ Av 700 bopd produced over last 2
years



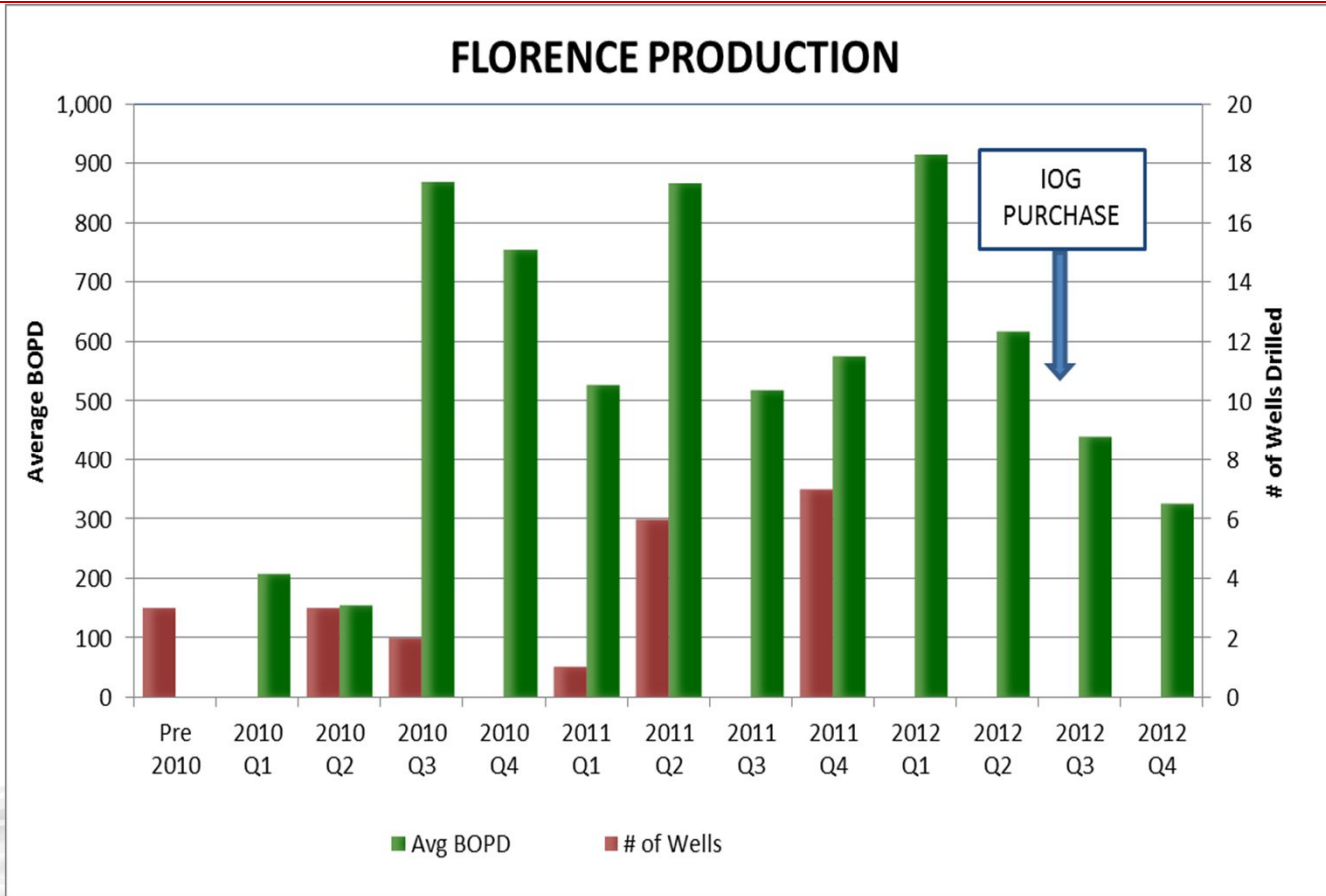
PIERRE FORMATION POTENTIAL

- ◆ Excellent quality 3D seismic over much of our leases

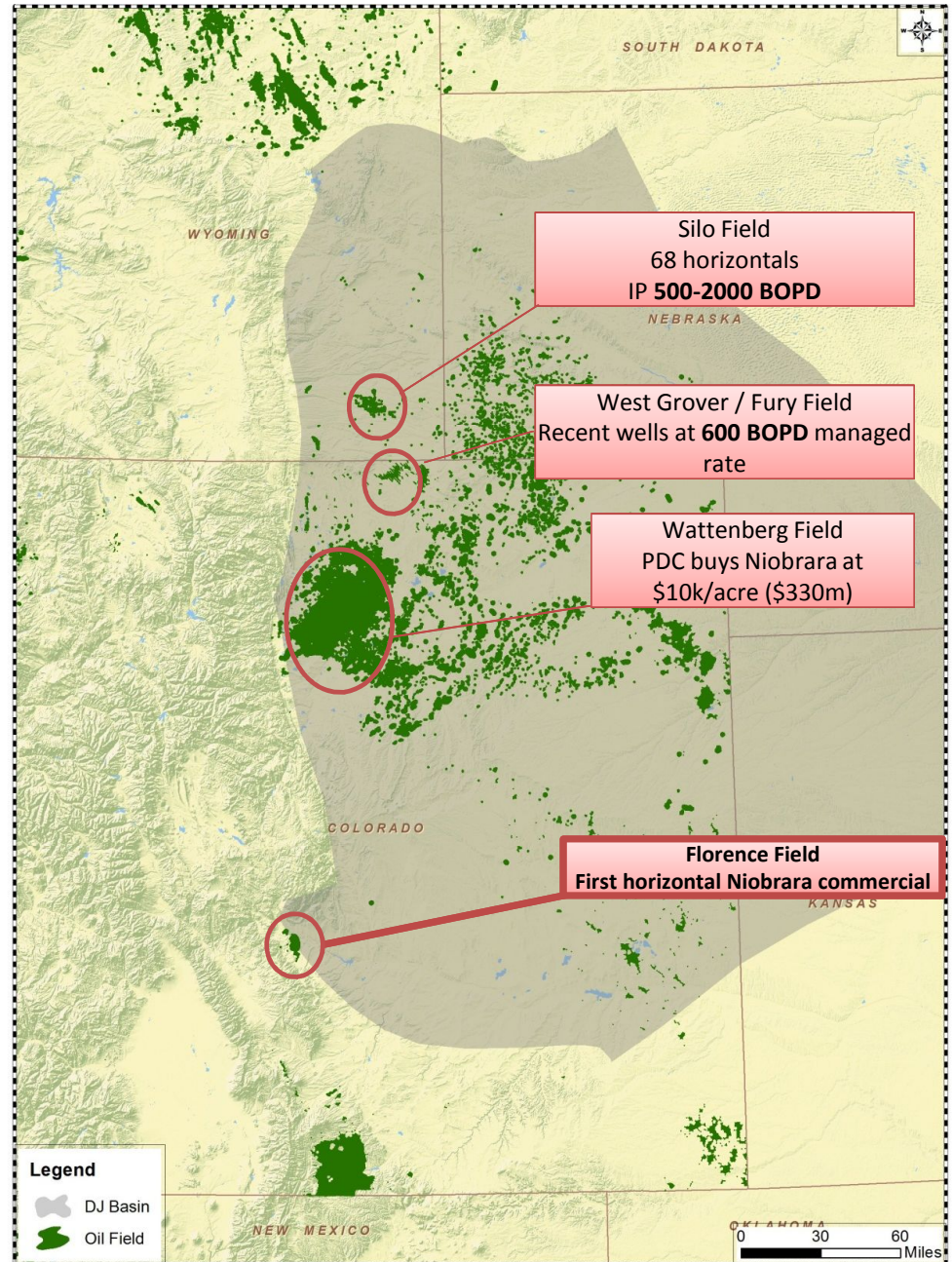
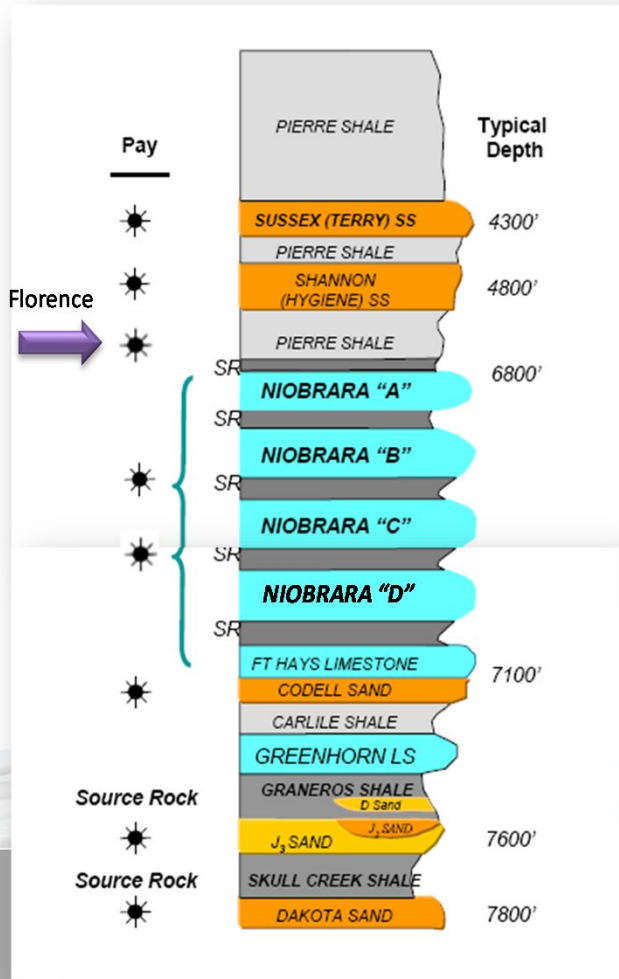


- ◆ Fracture zones clearly visible and mappable on seismic
- ◆ Many anomalies remain undrilled
- ◆ 2013 drilling campaign will concentrate on western part of field

FLORENCE RECENT PRODUCTION

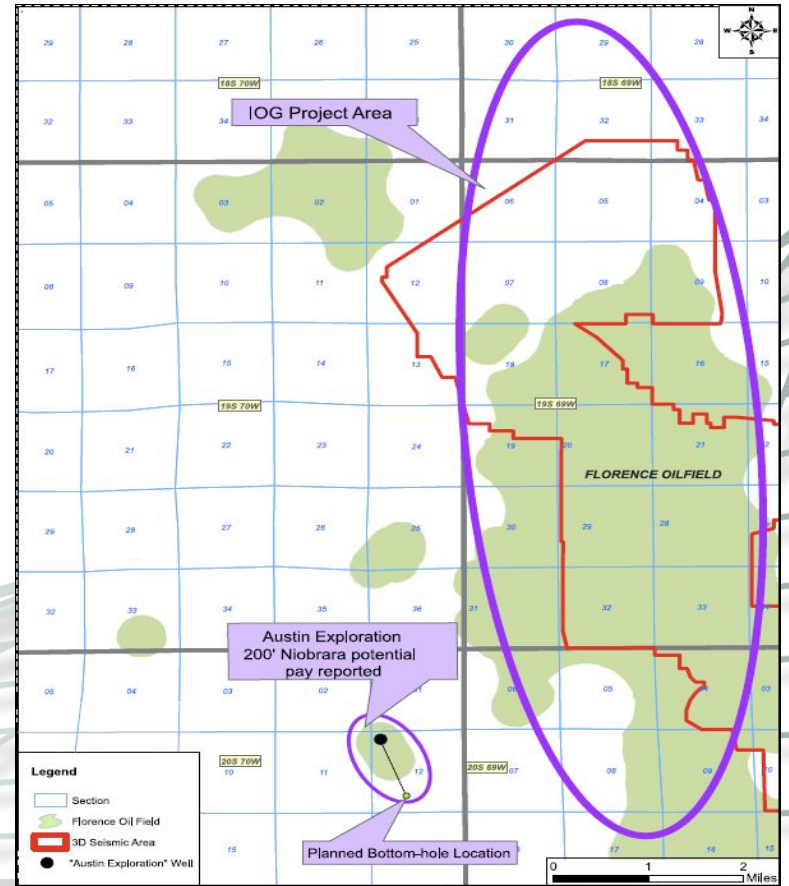


NIOBRARA REGIONALLY



NIOBRARA at FLORENCE

- ◆ Niobrara is very widespread
- ◆ Florence same depth and maturity as Wattenberg Field
- ◆ AKK drilled well 400m from our leases (Reported 200' 'potential pay')
- ◆ Then drilled 4100' horizontal well, with 16 stage frac
- ◆ Reported production rates of 403 boepd



NIOBRARA POTENTIAL



CRETACEOUS LANDSCAPE



NIOBRARA FM.

**EAGLEFORD
SHALE**

- ◆ Niobrara deposited in same large inland sea as the EagleFord Shale in Texas
- ◆ Both limestones have significant entrained oil
- ◆ EagleFord now one of largest oil plays in world

CALIFORNIA PROJECTS



● ROUND MOUNTAIN (100% WI)

- 8 wells drilled
- Production ~90 bopd (Brent)

● SHEEP SPRINGS (100% WI)

- Production ~105 bopd (Brent)

● M^cDONALD A/C (75-100% WI)

- Large acreage
- Multiple reservoirs, drilling planned 2013

● RAVEN PASS Exploration

● VENTURA (25% WI)

- Development

2013 OBJECTIVES

- ◆ Florence Oilfield – Pierre drilling programme (*increase production/revenue*)
- ◆ Drill two Niobrara wells – potential farmdown (*increase reserves from existing contingent resource*)
- ◆ Strategic acquisition of producing assets to *increase production to >3000 bopd within 3 years*
- ◆ Pay out RMB debt (\$4.5m remaining); seek additional equity/debt for expansion



BOARD & MANAGEMENT

BOARD –

◆ **Chris Cronin (Chairman):**

30+ years experience in the oil industry (Woodside – 23 years finishing as Director Strategy & Planning; BP Australia)

◆ **Mark Stowell:**

Founder of Anvil and Mawson West, CA

◆ **John (Sandy) MacDonald:**

13 years in Senate, LLB

GEOSCIENTISTS –

◆ **Joerg Mattner (Geologist):**

25+ years, Carbonate and structural specialist

◆ **Volker Koehler (Geologist):**

20 years in exploration and production

MANAGEMENT –

◆ **Gerry McGann (Managing Director):**

40+ years geologist worldwide (Occidental Petroleum, Baker Hughes). Track record in discovery of >200M barrels of oil in Australia, Middle East and North Sea; CPG

◆ **Simon Adams (CFO/Company Secretary):**

20+ years financial management and Corporate Compliance

◆ **John Whisler (VP Operations)**

20+ years experience in all aspects of upstream sector with track record in developing oil fields in USA

◆ **Sharon Regan-Williams (VP Land)**

20+ years experience on land management in the oil and gas sector in USA

Questions?



Notes

1. Calendar year
2. Earnings before interest, taxation, depreciation and amortisation (includes financing costs)

