

COMPANY PRESENTATION

FEBRUARY 2016



ASX: IOG

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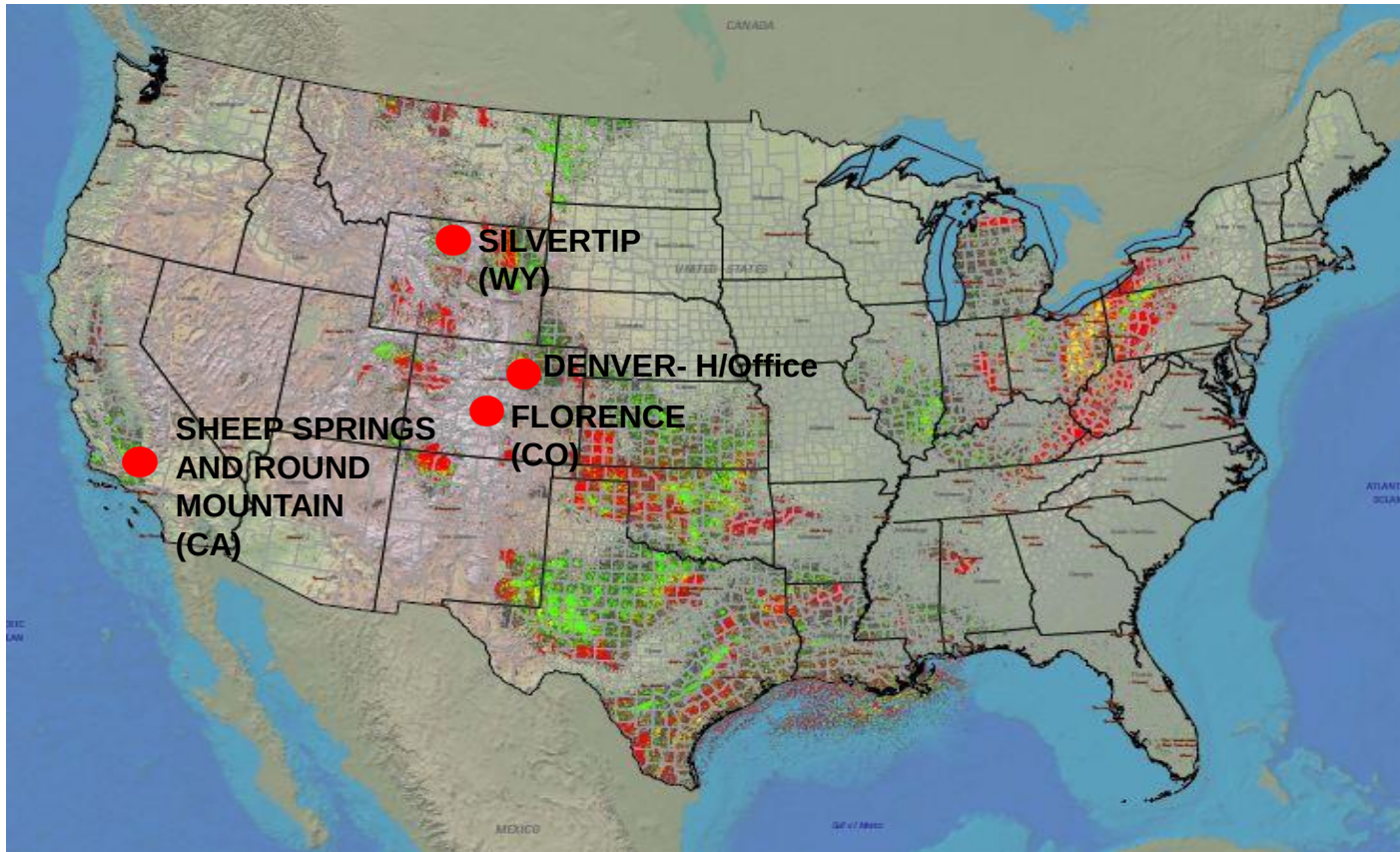
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incremental
OIL AND GAS
LTD

HIGHLIGHTS

- **Long-life, conventional oil and gas fields**
- **Low cost producer**
- **Strategic growth plan ... being delivered**
- **Experienced Board and Management**
- **US\$ cash flow**

OPERATES IN PROVEN OIL AND GAS BASINS – onshore USA



Combined gross
production of 822
BOEPD for Q4-15

TIGHTLY HELD CAPITAL STRUCTURE

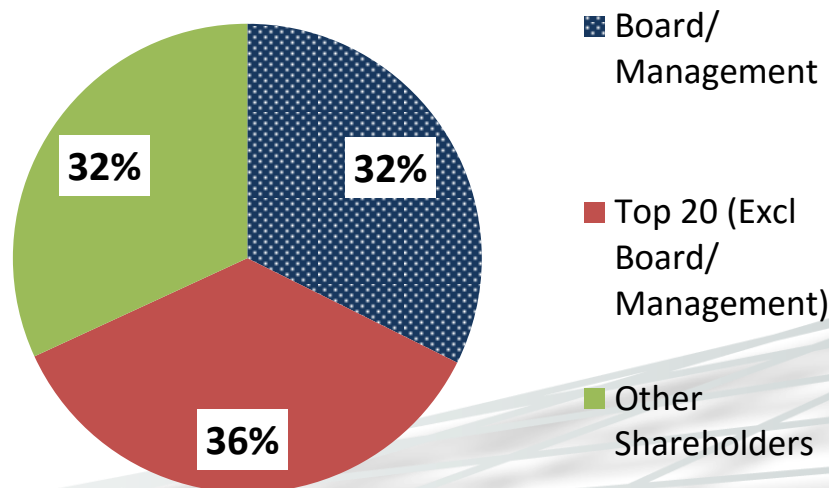
Ordinary shares on issue

163,684,580

Options on issue ¹

5,400,000

Shareholder Distribution



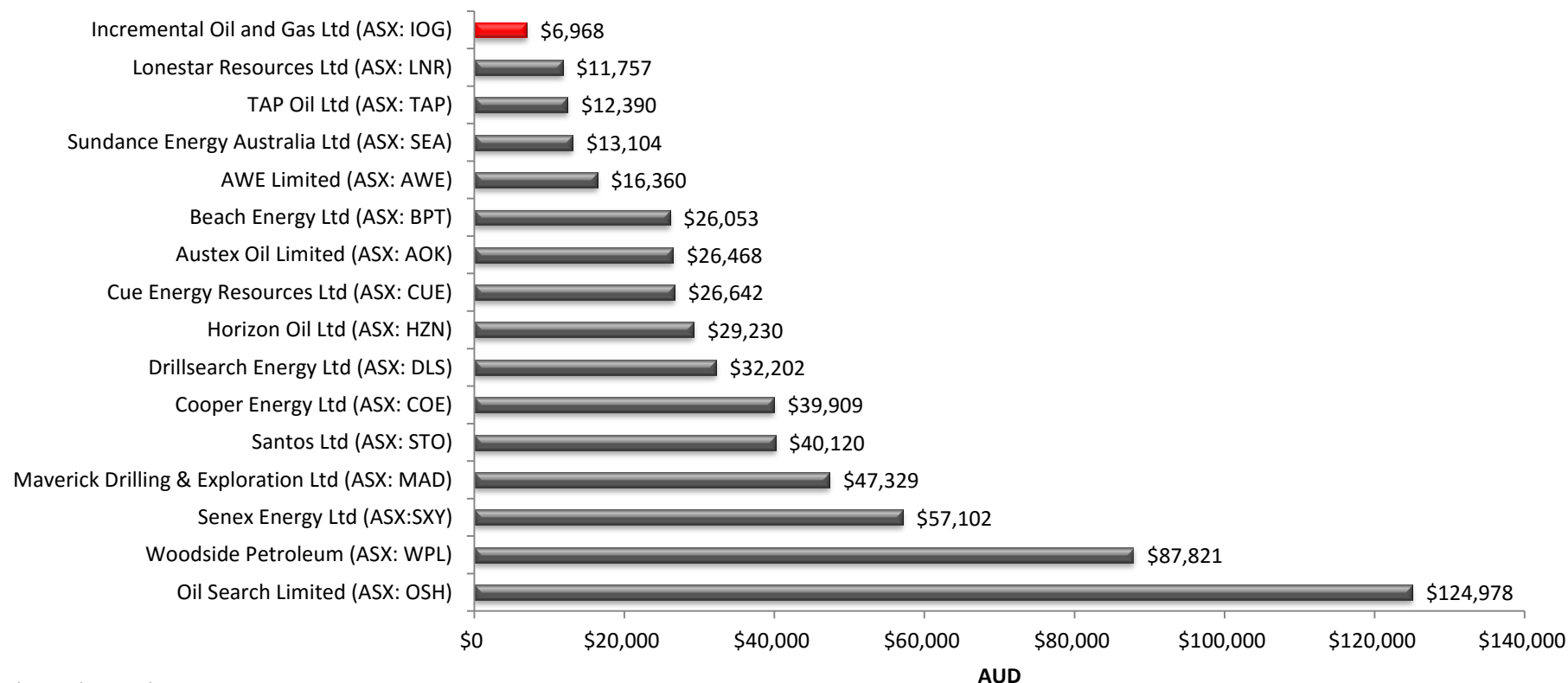
Market Cap (31-Jan-16) —

AU\$7.0 million

1. 5,000,000 exercisable at A\$0.1485 before 27 July 2018 +
400,000 exercisable at A\$0.07 before 26 May 2017

VALUE COMPARISON – MKT CAP : BOEPD PROD'N

Mkt Cap (AUD) per BOEPD¹ Production
ASX Listed E&P Companies (Q4-15 production data, 31-Dec-15 Share Price)



1. BOEPD - Barrels of oil equivalent per day

PROFITABLE AT LOW COMMODITY PRICES

Per BOE ¹ (Q3-Q4 2015)	Revenue ²	Royalties and Prod'n tax ³	Field Operating Costs	Netback/ Gross Profit Margin
Silvertip, Wyoming OIL (27% by volume)	\$37	(\$10)	(\$11)	\$16 / 43%
GAS (47% by volume)	\$16	(\$4)	(\$2)	\$9 / 58%
NGL (26% by volume)	\$12	(\$3)	(\$5)	\$3 / 28%
SS ⁴ & RM ⁴ , California	\$40	(\$8)	(\$9)	\$23 / 58%
Florence, Colorado	\$33	(\$8)	(\$9)	\$16 / 47%
TOTAL	\$24	(\$6)	(\$6)	\$12 / 49%

Revenue and expenditure in the table above relates to the period from July to December 2015

1. BOE assumes conversion of gas at a rate of 6Mcf of gas to 1 Bbl Oil and 42 gallons of NGL to 1 Bbl Oil
2. Avg. price received per barrel of oil or barrel of oil equivalent (BOE) after transport/marketing deduct
3. Assume tax rate of 2.5% for CA Fields, 5% for CO Field and 12% for WY Field
4. SS - Sheep Springs Field and RM - Round Mountain Field

WHY IS INCREMENTAL IN THE USA?

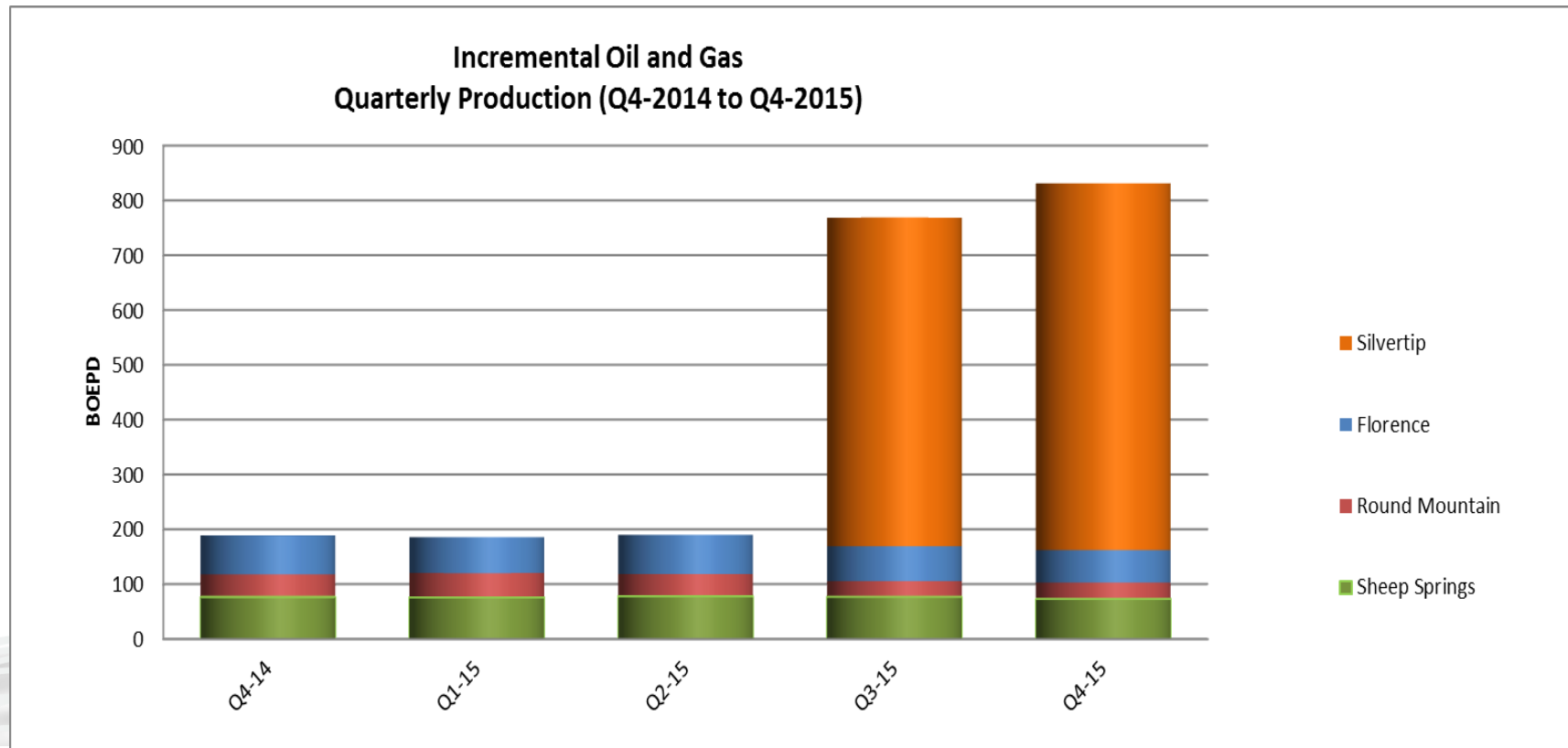
- Over 5 million wells and an extensive delivery/transportation system in place – mature industry
- 2nd Largest hydrocarbon consumption in the world
- Strong deal flow
- IOG has a substantial database of information and contacts
- US cost est. at 20% of Australian capital costs

SILVERTIP PRIMARY ASSET

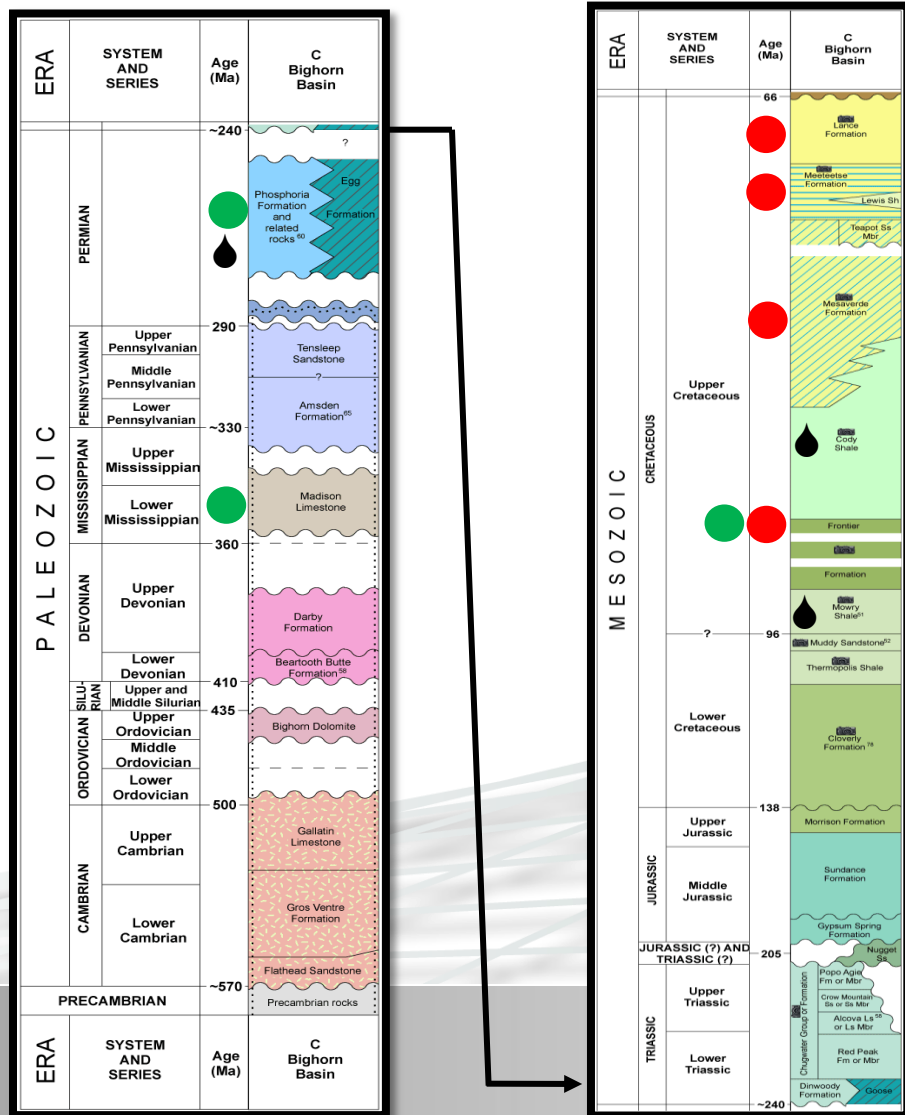
- Purchase price – US\$6.3M (funded by debt finance)
- 100% working interest (WI) & 82.5% average net revenue interest (NRI)
- Field has a mix of oil, gas and NGL's which provides diversity and balances pricing risk across the different commodities
- Completed 27 well workovers in 2015 increasing production by 50%
- 2 recompletions were carried out in 2015 resulting in increased 1P proven developed producing Reserves by 75%
- Multiple development opportunities have been identified for completion in 2016

SILVERTIP PRODUCTION

- Production increased from workovers and recompletions



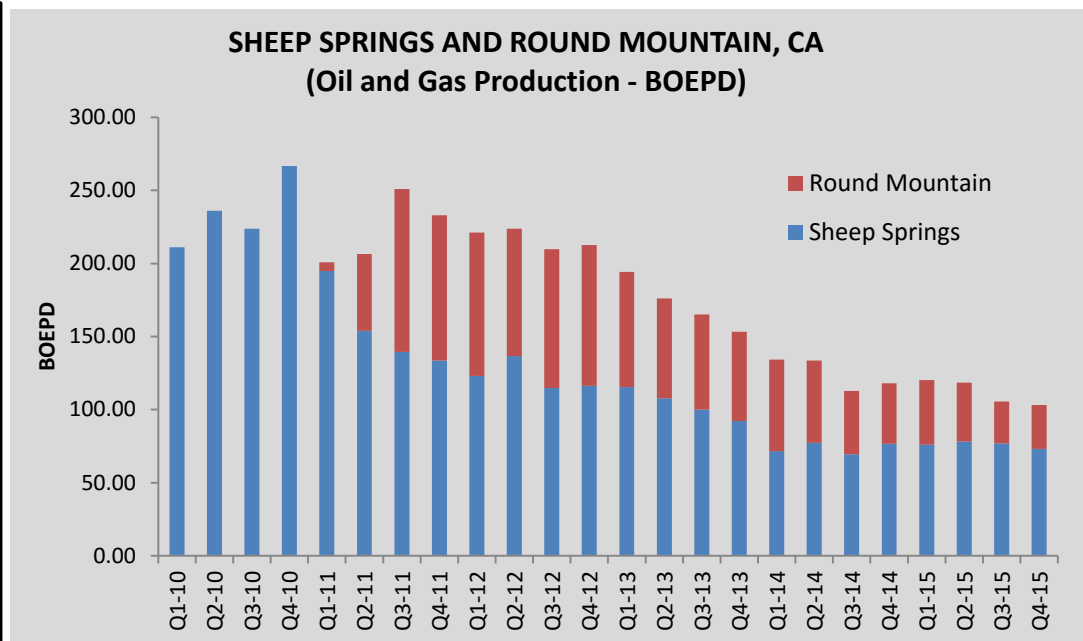
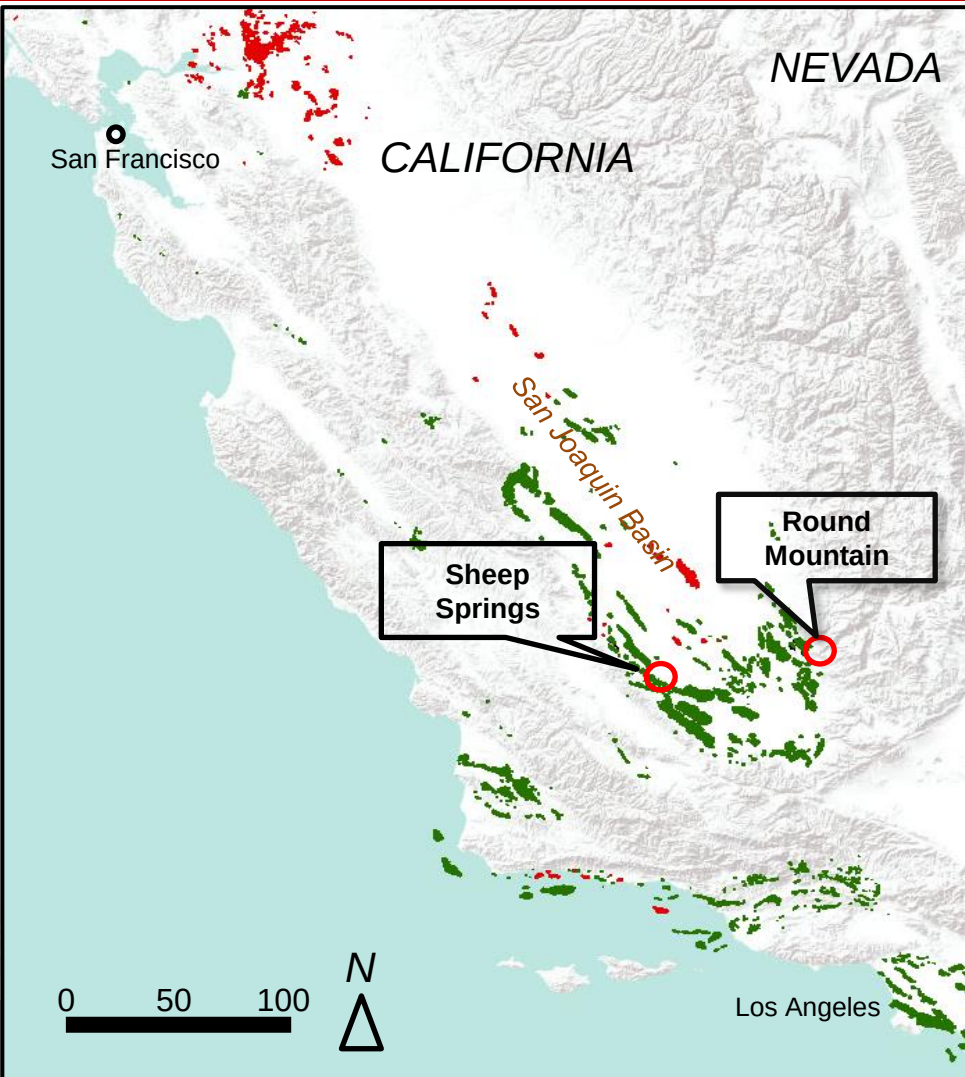
MULTIPLE OPPORTUNITIES (from existing wells – derisked development)



- Stacked pay in multiple zones (1500-9000 ft)
- Proven production from 6 different formations (Oil ● and Gas ●)
- Oil and gas generated from several different source rocks (●)

Formation	Approx Measured Depth (ft)
Lance	1500
Meeteetse	2000
Mesaverde	3000
Frontier	6000
Tensleep	8600
Madison	9000

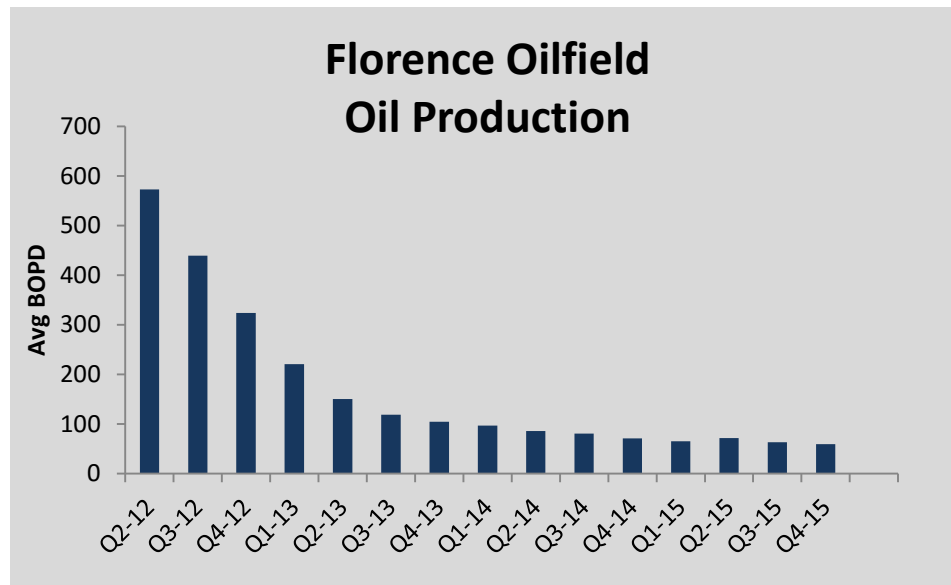
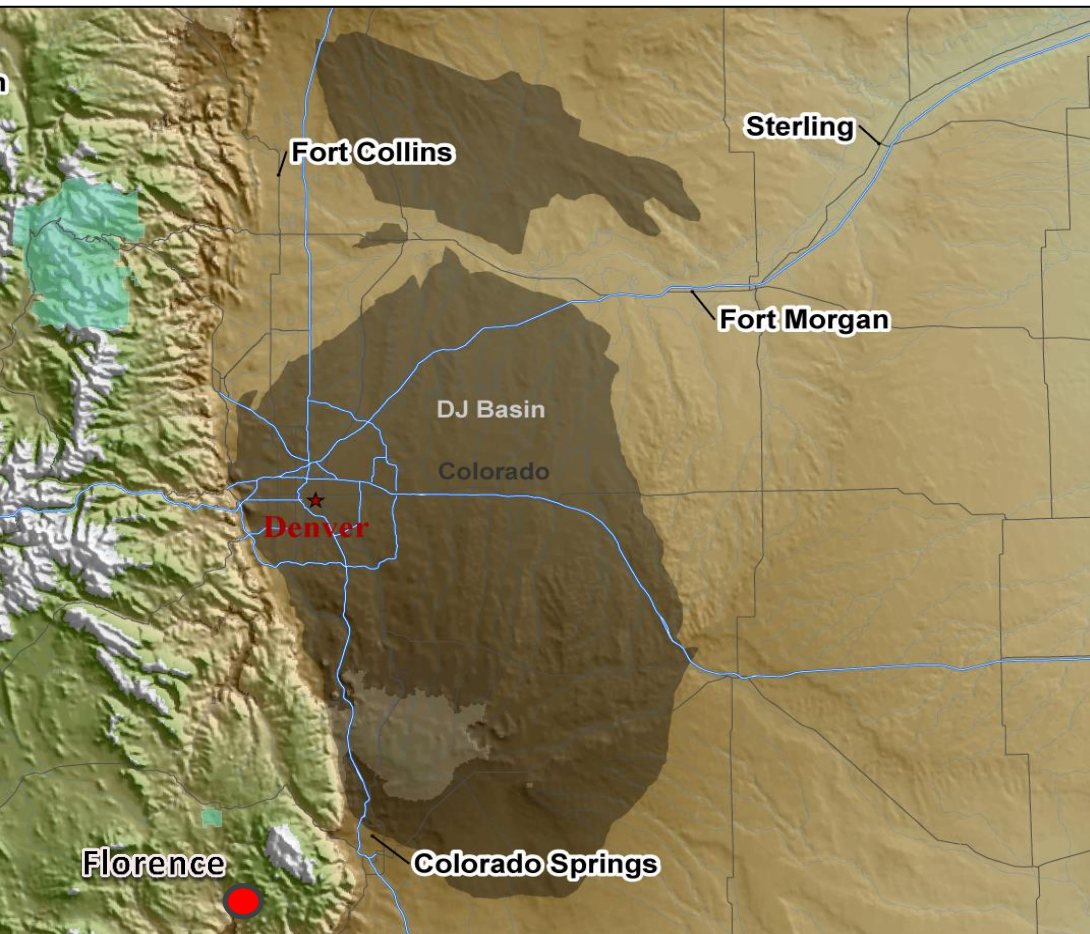
CALIFORNIA PROJECTS



- Oil Produced from 2010 to 2015
Sheep Springs: 240,368 Bbls + 34,300 BOE Gas
Round Mountain: 113,600 Bbls
- Sales⁽¹⁾ (2010-2015): \$27.8 million

Assets have provided stable cash flow with low production decline rates with low lifting costs

COLORADO PROJECT



- Gross Oil produced from May-2012 to Dec-2015: 211,600 Bbls
- Sales ⁽¹⁾ (2012 - 2015): \$13.3 million

Flat decline since 2014. Low lifting costs.

1. Net Revenue to IOG (after refinery charges & royalty)

EXPERIENCED LEADERSHIP TEAM

BOARD -

Mark Stowell
Non-Exec Chairman



Involved in public company corporate sector for over 20 years including significant IPO and merger activities in the resource and energy sectors.

John Whisler
Managing Director



More than 25 years experience in the oil and gas industry in a broad range of skills including business development, project management, exploration, field production, drilling and completions. PETROGULF: VP Operations, 2001-2008. DELEK: CEO, 2008-2011.

Gerry McGann
Non-Exec Technical
Director



Over 40 years experience in the upstream oil and gas industry as a petroleum geologist. OCCIDENTAL: Increased Oman production from 32k to 52k bopd in 3 years. INCREMENTAL PETROLEUM: Managing Director, responsible for management of second largest oil production company in Turkey

Matt McCann
Non-Exec Director



More than 20 years of experience in the legal and energy sectors. SANDRIDGE ENERGY: Senior VP 2005-07. TRANSATLANTIC PETROLEUM: CEO. 2009- 2011 Grew from junior explorer to a significant international oil and gas producer in 2 years

EXECUTIVE TEAM

Simon Adams
CFO/ Co. Sec.



Over 20 years of experience with a number of ASX listed companies in various sectors including energy, agribusiness, resources and property.

Jennifer Cadena
VP Land and Legal



Ms Cadena has extensive experience aiding international companies develop U.S. assets. She has considerable legal experience in the oil and gas sector in the areas of contracts, land use, regulatory issues, administrative proceedings and litigation.

Will Duggins
Senior Geologist



Considerable geological experience in petrophysical analysis, sequence stratigraphy, seismic interpretation, core interpretation, field mapping and integrating production data into geological models

GROWTH OPPORTUNITY

- Increase cashflow from higher production and value through increased 1P reserves
- Continued field optimisation and development programs – workovers, recompletions and new wells
- Utilise increased reserve base to leverage potential borrowing capacity
- Identify and acquire another long-life, profitable oil/gas field with development potential in 2016

WHY INVEST IN INCREMENTAL

- Existing oil and gas production from long-life, conventional fields
- Low cost producer with leveraged to commodity price turnaround - counter cyclical investment opportunity
- Strategic growth plan in place which is being delivered
- Experienced Board and Management team – tight operating costs and structure
- US\$ cashflow

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