

ASX Announcement/Media Release

2 April 2017

ANNUAL REPORT AND APPENDIX 4G

Incremental Oil and Gas Ltd filed its audited Annual Report and Appendix 4G for the financial year ending 31 December 2016.

Highlights:

- Highest annual production in the Company's history – 263,645 BOE (Avg 722 boepd);
- Recorded positive earnings before interest, tax, depreciation, amortization and impairment (EBITDA) of \$426,116 (2015 - \$226,569) making this the sixth consecutive year of positive EBITDA recorded up to and including 2016;
- Decreased net loss after tax in 2016 to \$575,771 (including impact of sale of Florence Oilfield) (2015 - \$ 2,726,105 loss);
- Recorded positive cash flow from operations for the year of \$183,396 (2015 - \$698,130).

There is a material change to the accounts presented in the audited annual report compared to the financial statements that were presented in the Company's Preliminary Final Report which was filed on February 28, 2017.

The sale of the Company's membership interest in the subsidiary that owns and operates the Florence Oilfield in Colorado, announced on 9 December 2016, and the subsequent signing of the purchase and sale agreement on March 6, 2017 triggered an impairment review of this asset under the accounting standards which had not been accounted for in the Preliminary Final Statements.

Details of the accounting treatment for this impairment reversal are provided in the audited annual financial statements.

ENDS

For further information please contact:

Australia –

Simon Adams, CFO

Email: sadams@i-og.net

Phone: +61 (0)8 6144 0590

Mobile: +61 (0)439 845 435

Web site: www.incrementaloilandgas.com

USA –

John Whisler, Managing Director

Email: jwhisler@i-og.net

Phone: +1 (720) 763-3183

Twitter: @IncrementalOG

About the Company:

Incremental Oil and Gas Ltd is an USA onshore focused oil and gas exploration 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, while increasing 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 NRI's between 78.5 - 87.5%.

All reference to dollars or \$ mean US\$ unless otherwise stated.