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21 October 2013

ASX Company Announcements Office

Re: Public Announcement – Icon Energy Conference Presentation

Please find attached a copy of the Icon Energy presentation to be delivered to the East Coast Gas Conference on Monday 21 October 2013.



Ross Mallett
Company Secretary
Icon Energy Limited



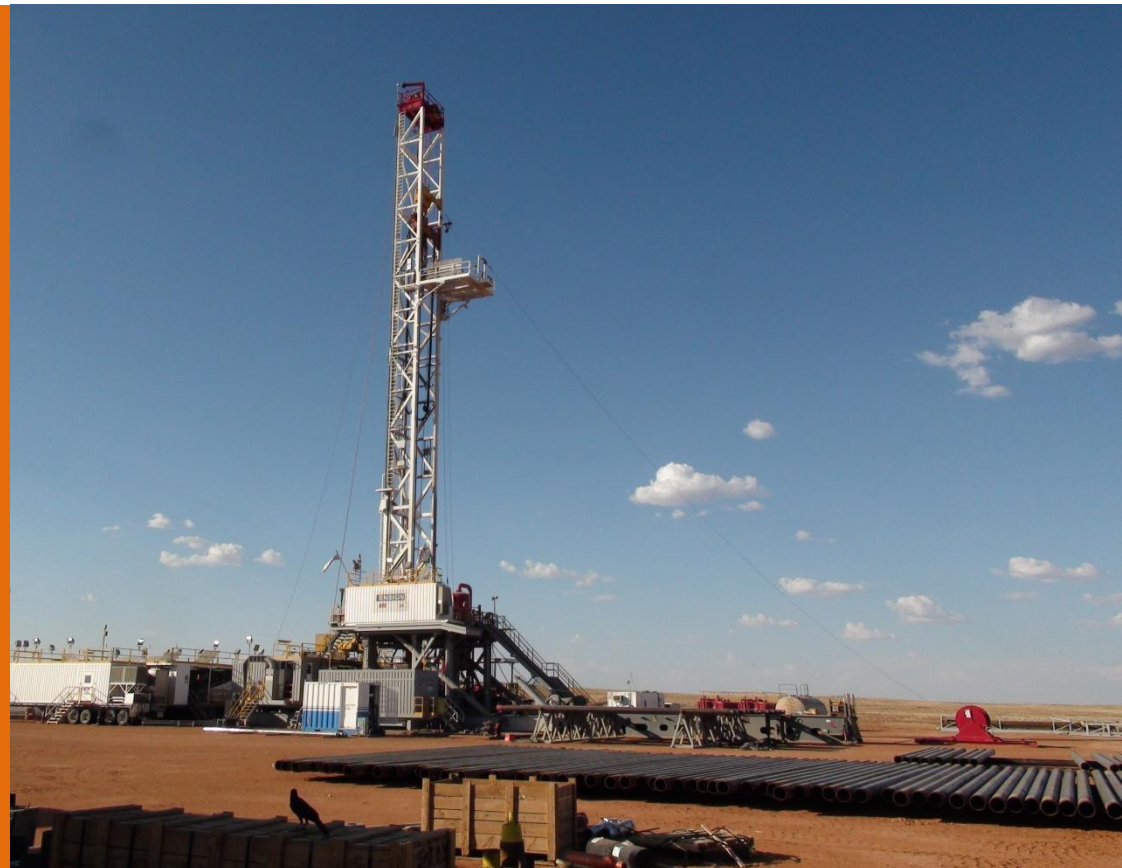
Icon Energy Limited

East Coast Gas Conference

Sydney

21st October 2013

Richard Holliday
Commercial Manager





Disclaimer

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All references to dollars, cents, or \$ in this document are to Australian currency, unless otherwise stated.

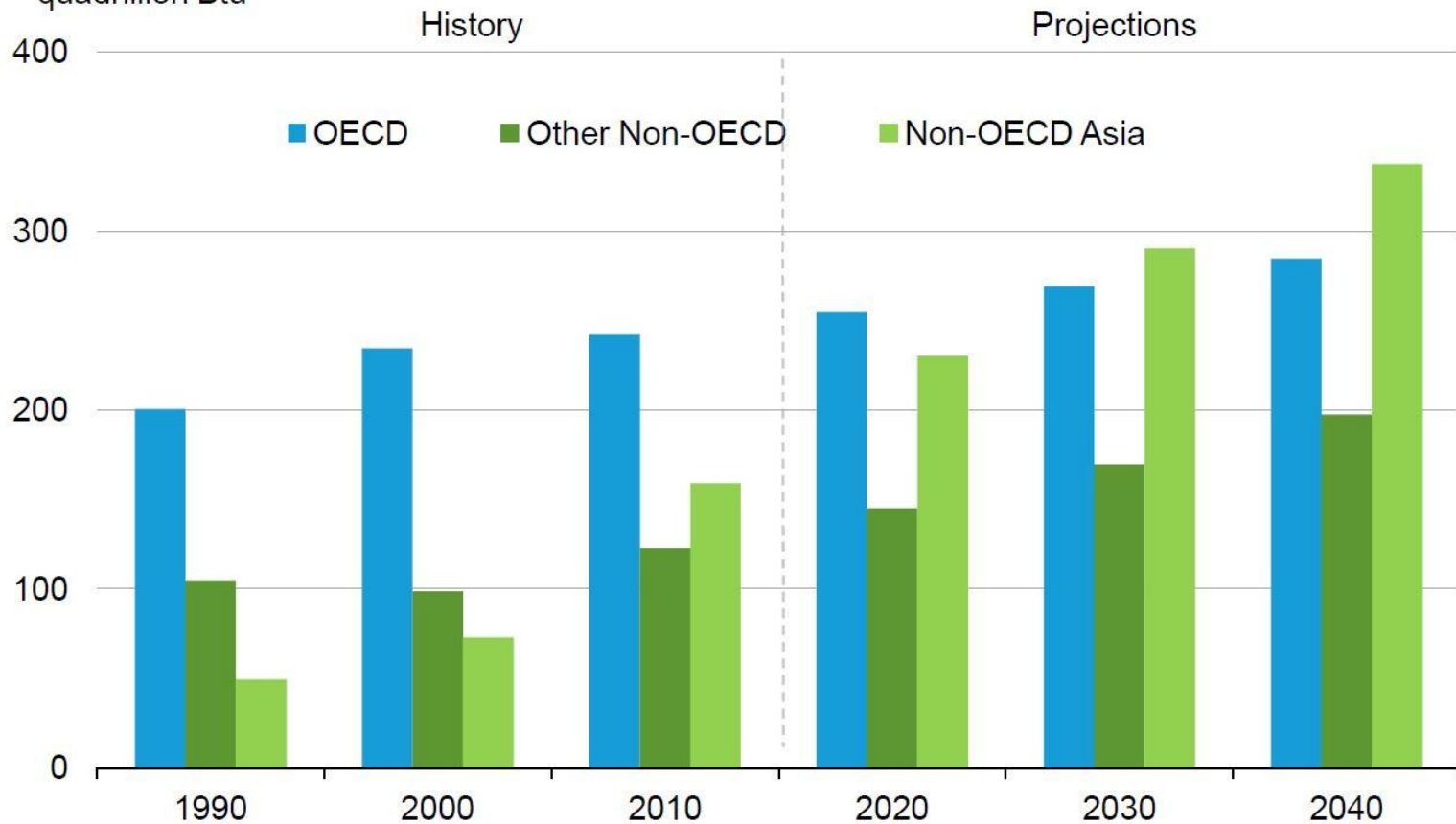
Competent Persons Statement

This presentation contains information on contingent resources that has been reviewed, evaluated and compiled by Mr Martin Berry who is a full-time employee of Icon Energy Limited, is qualified in accordance with ASX listing rule 5.11, and has consented to the inclusion of this information in the form and context in which it appears.



Non-OECD Asia accounts for 60 percent of the world increase in energy use

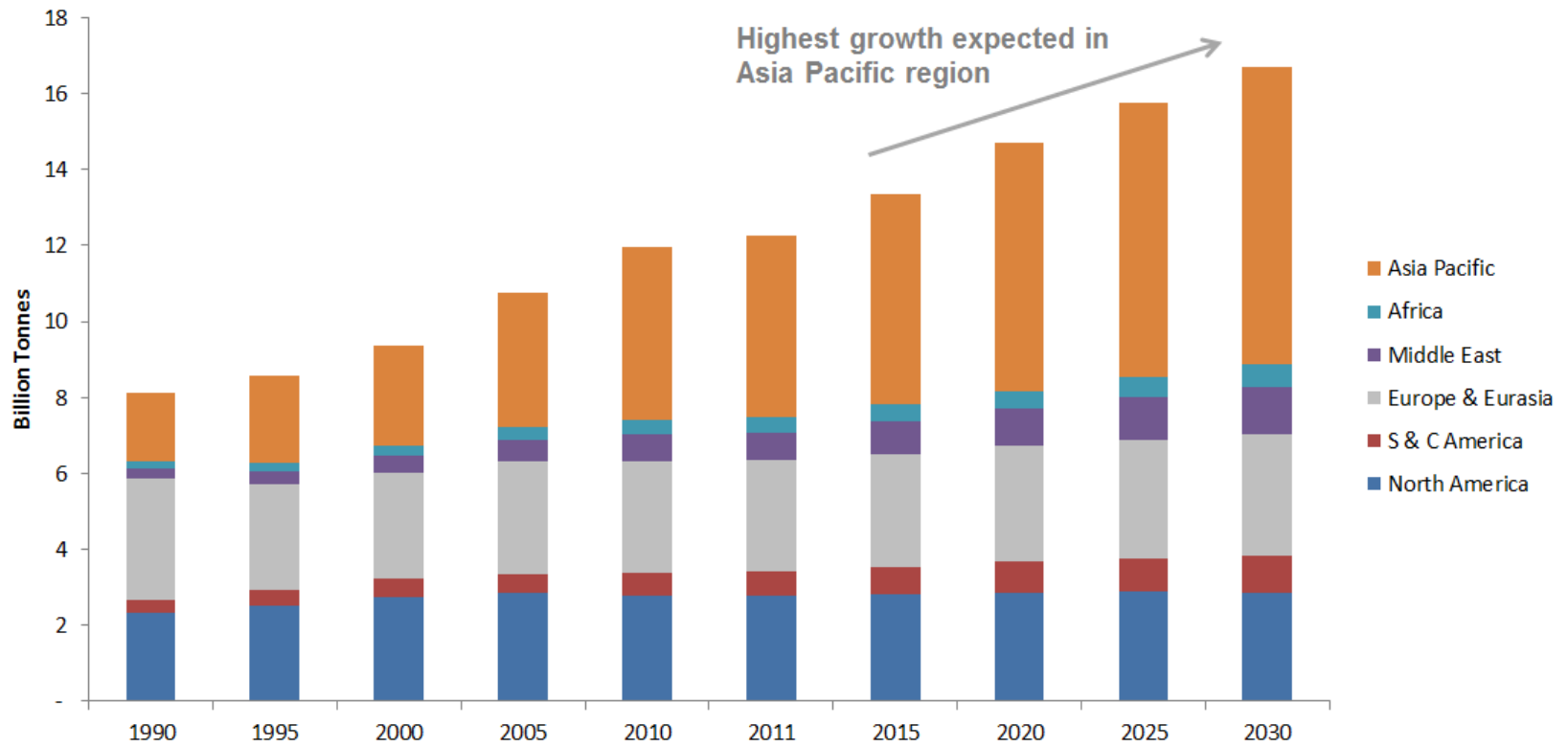
world energy consumption
quadrillion Btu





Share of global energy demand

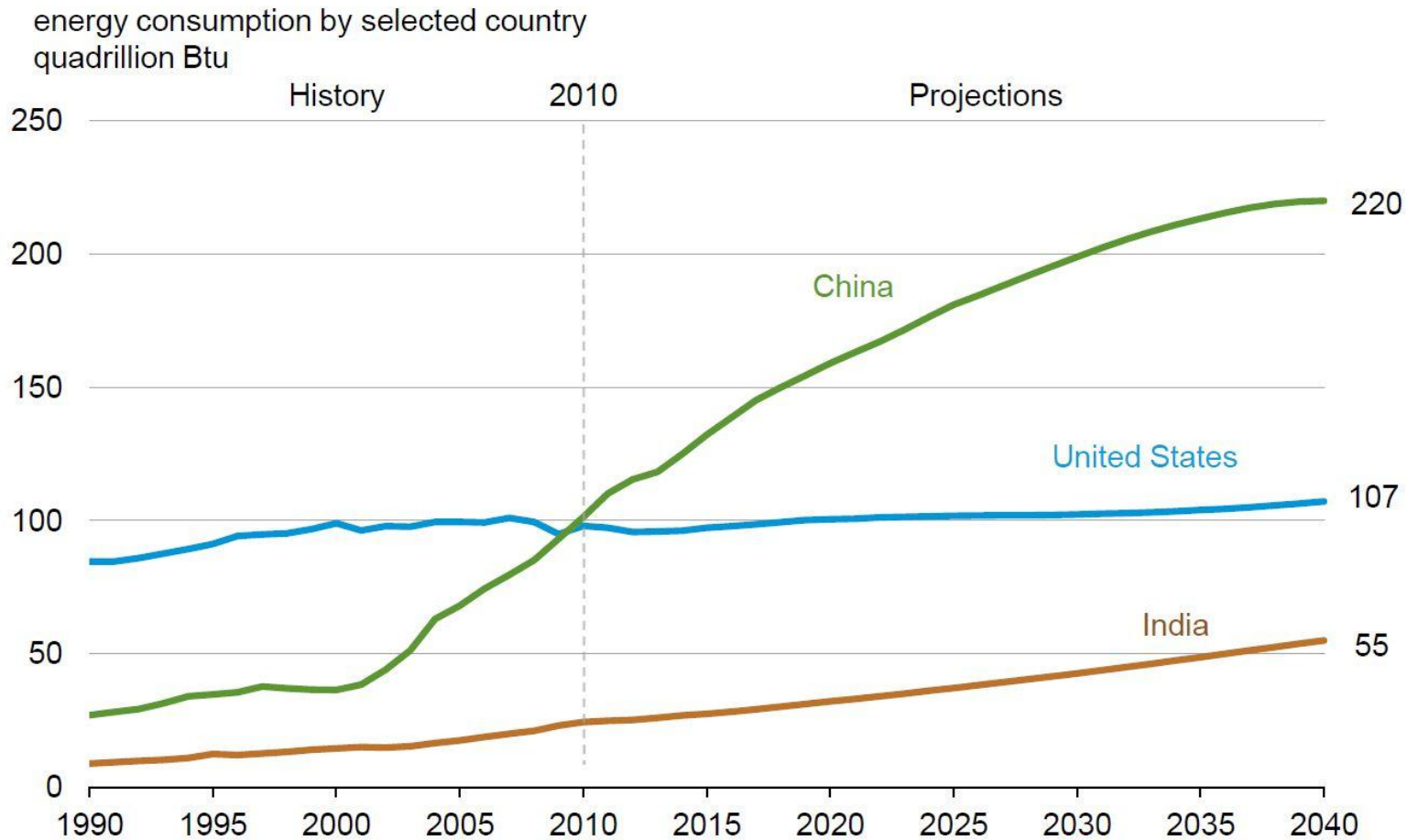
World primary energy consumption is projected to grow by 36% by 2030, underpinned by rising living standards in China, India and the Middle East





China's energy use to be double US level by 2040

By 2040, China's energy use will be double the U.S. level; India's a little more than half despite its faster GDP growth



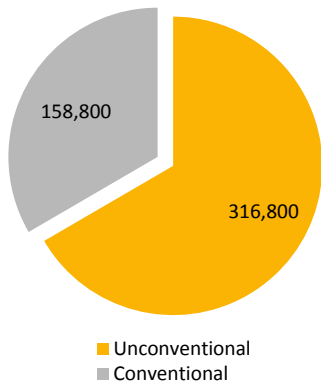
Source: EIA, International Energy Outlook 2013



Australia's estimated resource potential

Australia has vast gas resources of ~900Tcf from conventional, CSG and other unconventional resources

Western Australia estimated Resource Potential^{1,2}

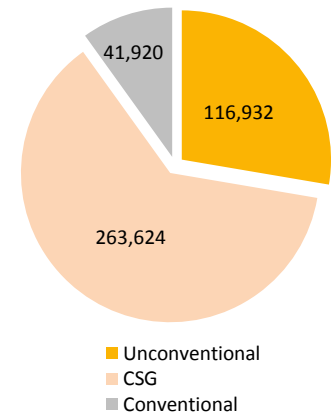


475,600 PJ

1 Source: BREE 2012 Gas Re
 2 Source: EIA World Shale Ga
 3 Source: AEMO 2012 GSOO



Eastern Australia estimated Resource Potential³



422,476 PJ



Top ten countries with technically recoverable shale resources

Shale oil		
Rank	Country	Billion barrels
1	Russia	75
2	United States	58
3	China	32
4	Argentina	27
5	Libya	26
6	Venezuela	13
7	Mexico	13
8	Pakistan	9
9	Canada	9
10	Indonesia	8
	World total	345

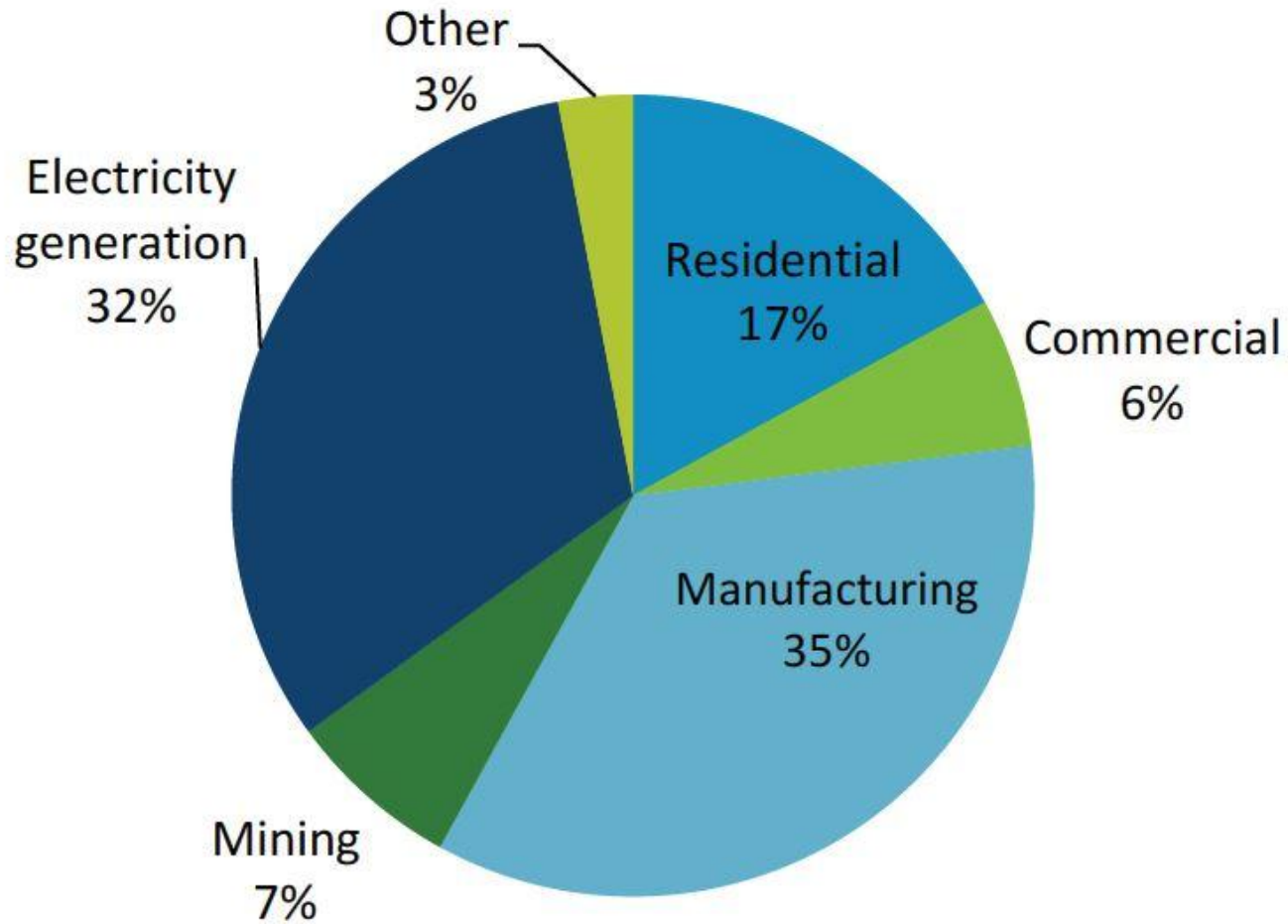
Shale gas		
Rank	Country	Trillion cubic feet
1	China	1,115
2	Argentina	802
3	Algeria	707
4	United States	665
5	Canada	573
6	Mexico	545
7	Australia	437
8	South Africa	390
9	Russia	285
10	Brazil	245
	World total	7,299

Source: United States: EIA and USGS; Other basins: ARI.

Note: ARI estimates U.S. shale oil resources at 48 billion barrels and U.S. shale gas resources at 1,161 trillion cubic feet.

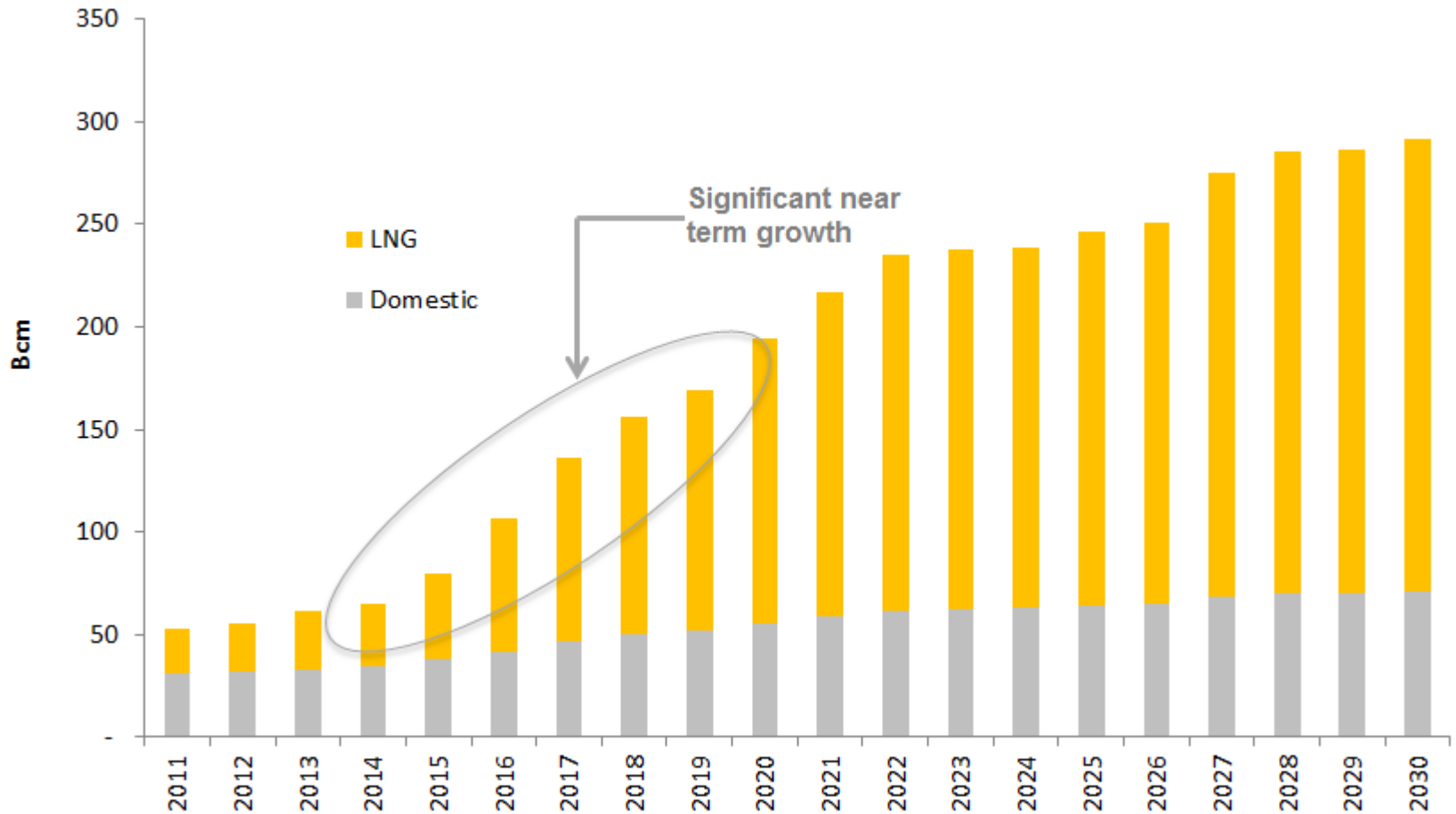


Natural Gas consumption





Australian gas demand is set to quadruple by 2025, driven by huge growth in LNG





Natural Gas price elasticity and demand v supply

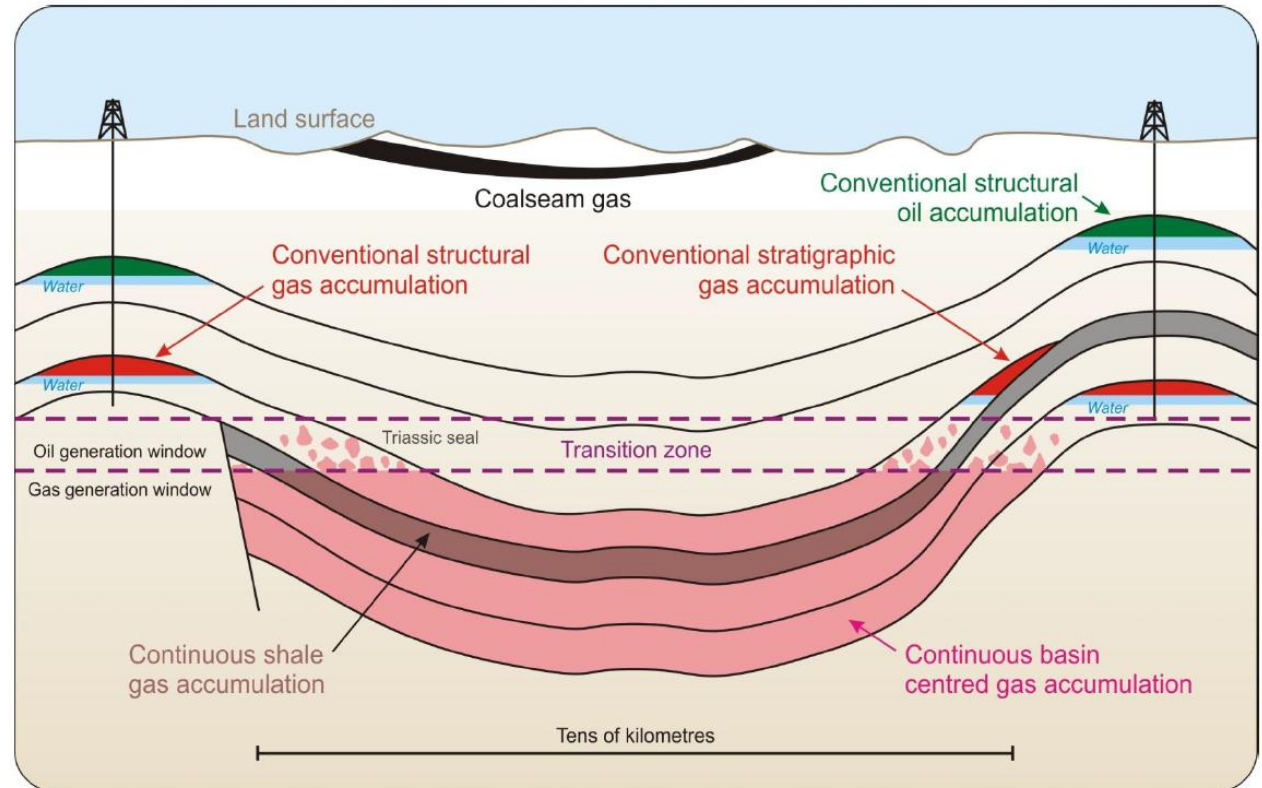


- Cost of production v financial return
- NSW will be 60% shy of meeting gas demand in 2018
- Long term gas contracts have been at historically low prices; \$3+ Gj
- Commentary suggests gas price of; \$10 to \$12 Gj
- Domestic gas price moving towards LNG Nett back pricing
- Gas prices should be no different to other products in an international market
- Gas producers are now large gas customers
- Free market working and working well



Nappamerri Trough – Shale and Basin Centered Gas Play

- Basin Centered Gas Play extends tens of kilometres compared to CSG
- The basin-centred gas play, shown in the schematic, occurs where gas becomes trapped within strata, due to very low permeability preventing migration of the gas to up-dip conventional traps
- Like shale gas, the play type is often referred to as a continuous play because the gas is not restricted to localised structural accumulations, instead being present across large areas



Source: Amended from Schenk and Pollastro, 2002

Gas saturation across a continuous shale and basin centered play



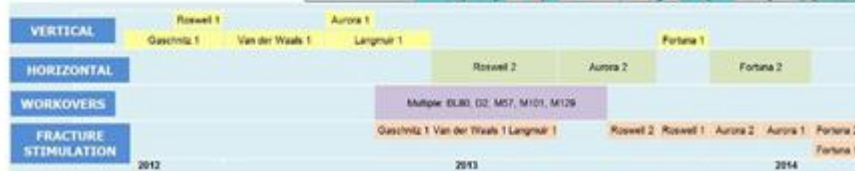
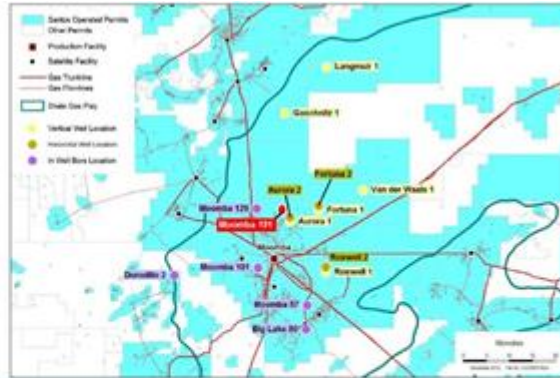
Cooper Basin – Extensive unconventional exploration by all parties

Prioritising 2 significant resource plays

- Moomba REM shale
- Nappamerri Trough Basin Centred Gas

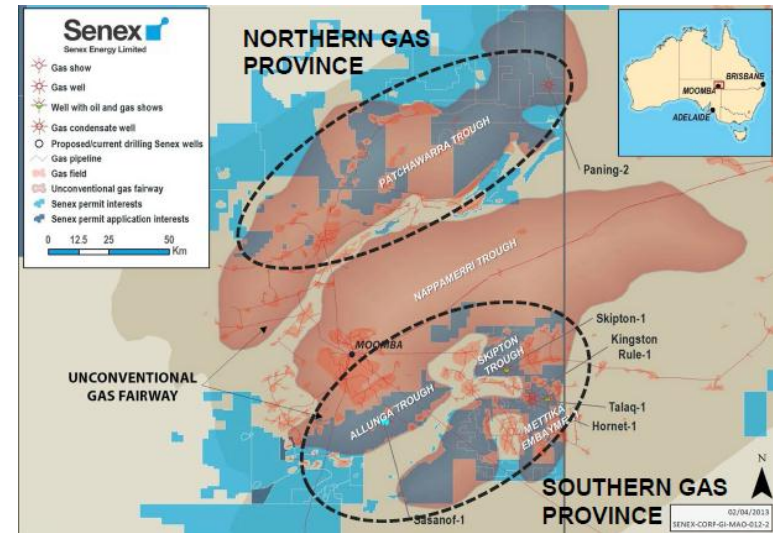
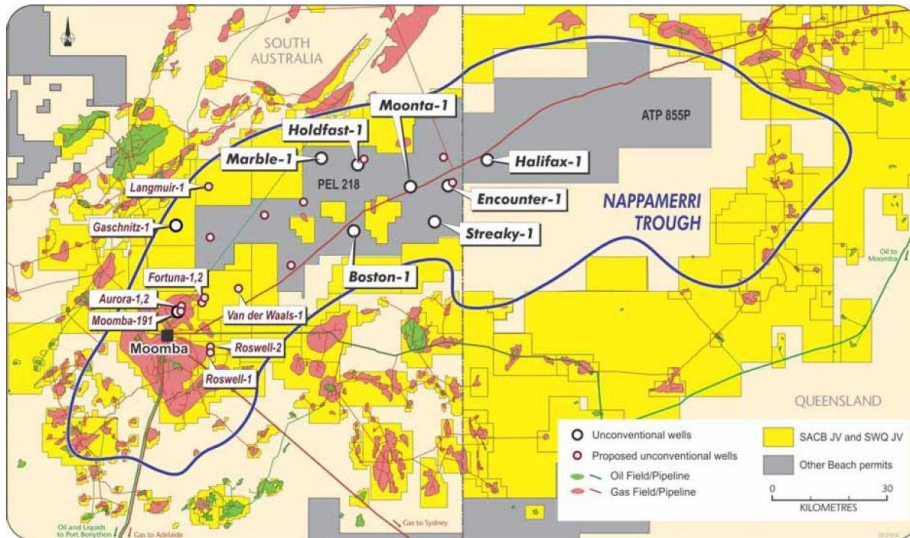
Estimated capital spend of ~\$200M⁽¹⁾

1. Gross JV, subject to approval



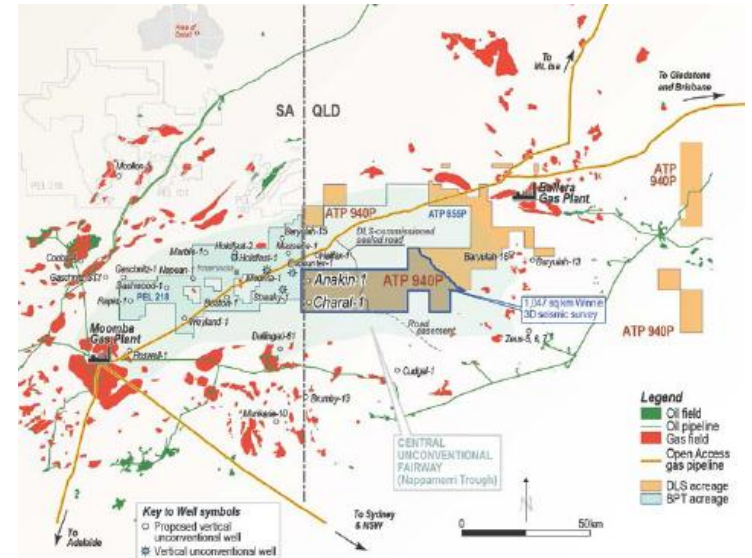
Source: Santos

Source: Beach Energy



Source: Senex

Source: Drillsearch

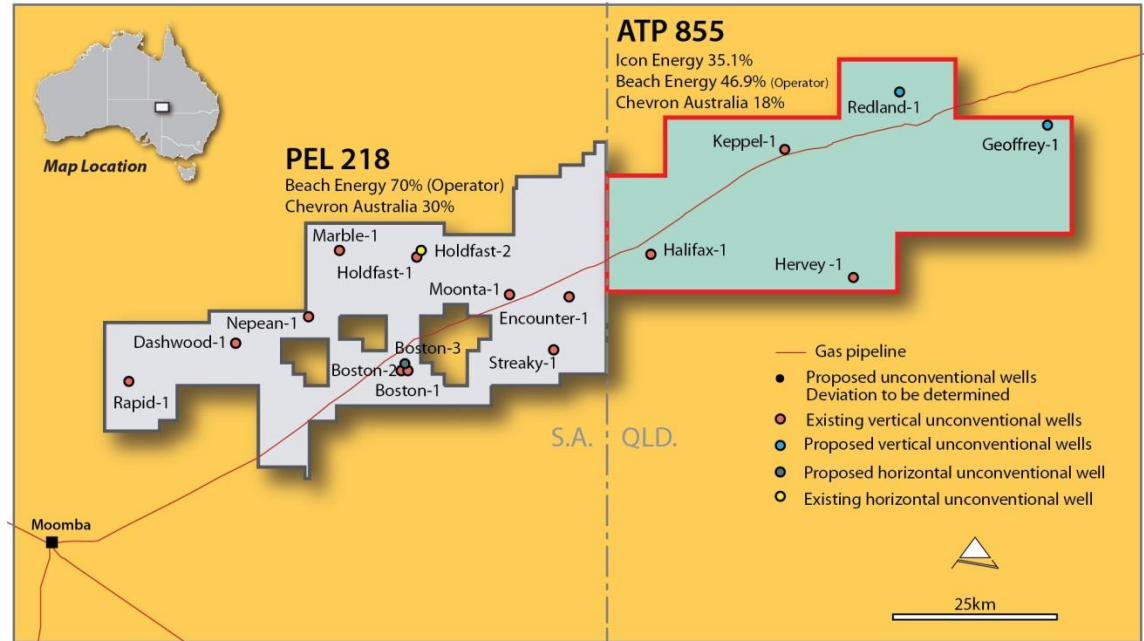




ATP 855 – Joint Venture

ATP 855 ownership history

- **October 2009** – Beach farmed in to acquire a 40% interest in ATP 855
- **July 2010** – Icon and Beach agree to revised farm-in terms with Beach funding the first shale gas well
- **November 2011** – Beach acquired Adelaide Energy. Adelaide Energy owned 20% of ATP 855 and 10% of PEL218
- **February 2013** – Chevron farmed into both ATP 855 and PEL 218
- **June 2013** – Icon exercised put option to sell 4.9% to Beach for US\$18million



ATP 855 ownership interests

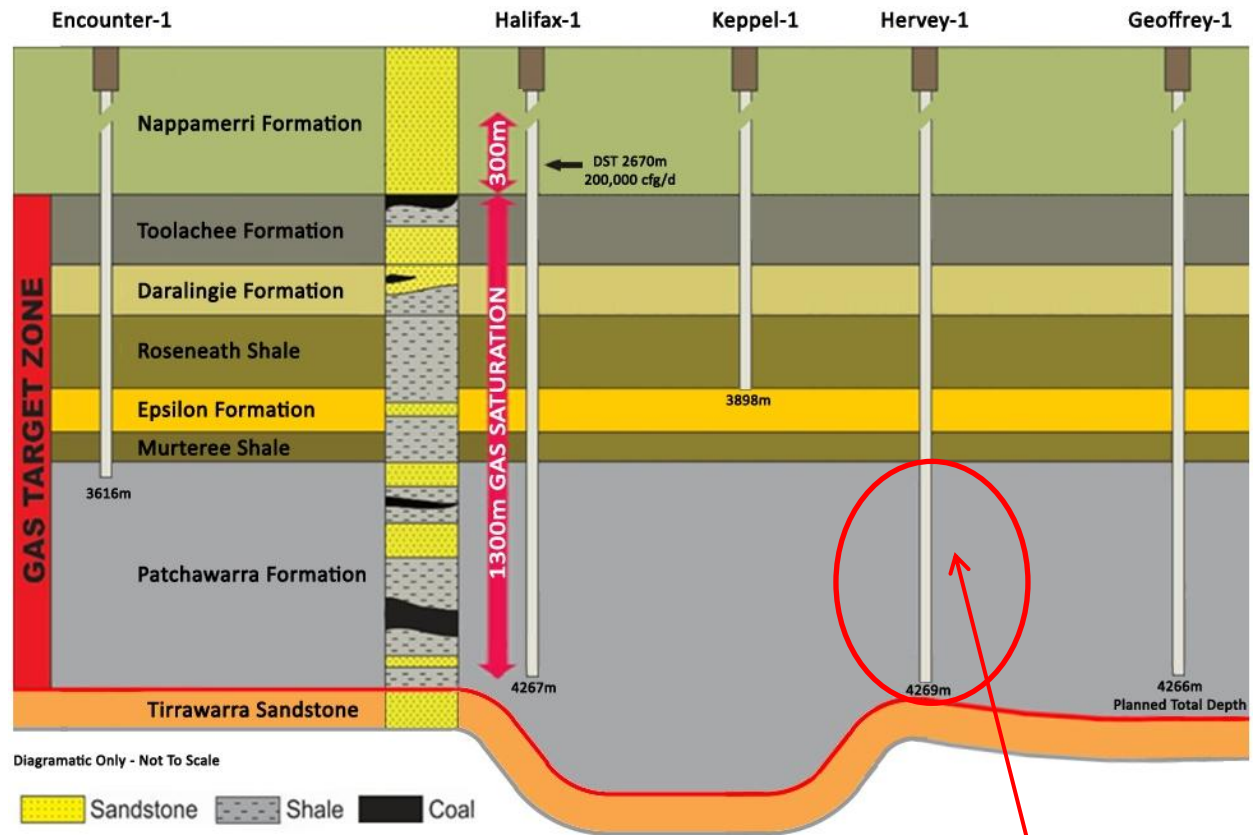
Current ownership	Ownership should Chevron complete Stage 2 farm-in ¹
Beach – 46.9% (Operator)	Chevron – 36%
Icon – 35.1%	Icon – 35.1%
Chevron – 18%	Beach – 28.9%

¹ Chevron may elect to become operator after the completion of stage 2



ATP 855 Exploration

- **Halifax-1** spudded August 2012
- 14 hydraulic stimulations and initially flowed gas at 4.5MMscf/d
- Halifax-1 flow tested for >180 days
- Contingent Resource booking 629Bcf 2C in the areas around Halifax-1 well
- **Hervey-1** spudded 26th May 2013 and is cased and suspended awaiting hydraulic stimulation¹
- **Keppel-1** well spudded on 3rd June 2013 and is suspended awaiting further examination
- **Geoffrey-1** spudded on 14th October, followed by **Redland - 1¹** in Q1 2014
- One further permit commitment well required prior to 31 October 2014



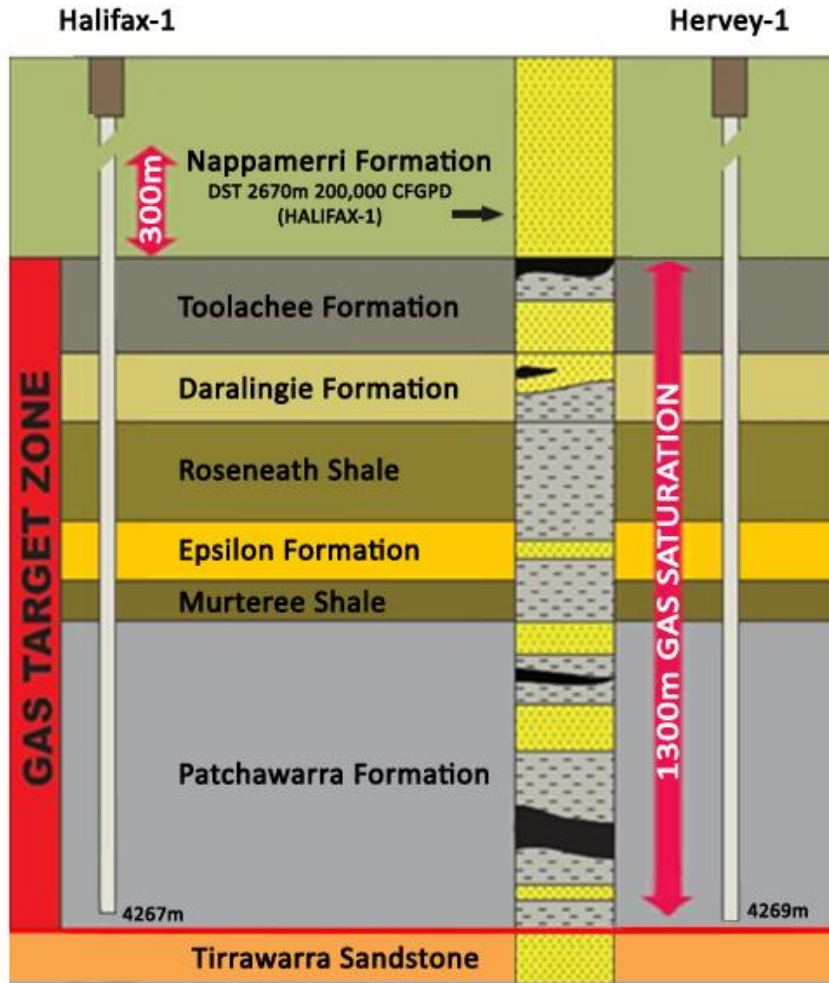
Intersected 830m of over pressured Patchawarra Formation

Hervey-1 encountered over 1,300m of gas saturation and 360m of REM formation

¹Subject to JV approval



Hervey-1 Over 1,300 metres Gas Saturation



Diagramatic Only - Not To Scale

 Sandstone  Shale  Coal

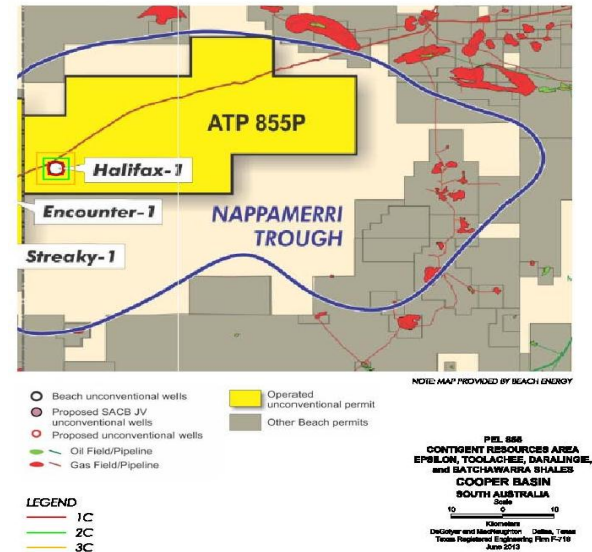
- **Hervey-1**
- **Activity**
 - Total Depth 4269 metres
 - Over 1300 metres+ gas
 - REM section 360 metres
 - Thickest Patchawarra section >830 metres
 - Thicker REM and Patchawarra provide greater hydraulic stimulation options
 - Over pressured throughout
 - Awaiting hydraulic stimulation and flow testing in 2014¹
- **Other benefits**
 - Hervey-1 is the 2nd well in the 6 well program
 - Provides critical data reference point in the south of the tenement
 - Coexistence with rural stakeholders
 - Semi-desert country, low population, stable environment, abundant artesian water
 - Relatively flat topography

¹Subject to JV approval



Halifax-1 – Maiden 2C Contingent Resource Booking

- ATP 855 maiden Contingent Resource booked, 629Bcf 2C
- The results are very encouraging with ~0.629Tcf of 2C and ~1.115Tcf of 3C recoverable wet gas¹ estimated around Halifax-1
- Contingent Resource estimate was evaluated in line with **Petroleum Resources Management System** (March 2007)
- Significant additional contingent resources expected to be booked with additional wells in 2014



The Contingent Resource attributable to Halifax-1 in ATP 855 is as follows:

1C (Bcf)	2C (Bcf)	3C (Bcf)
318	629	1,115

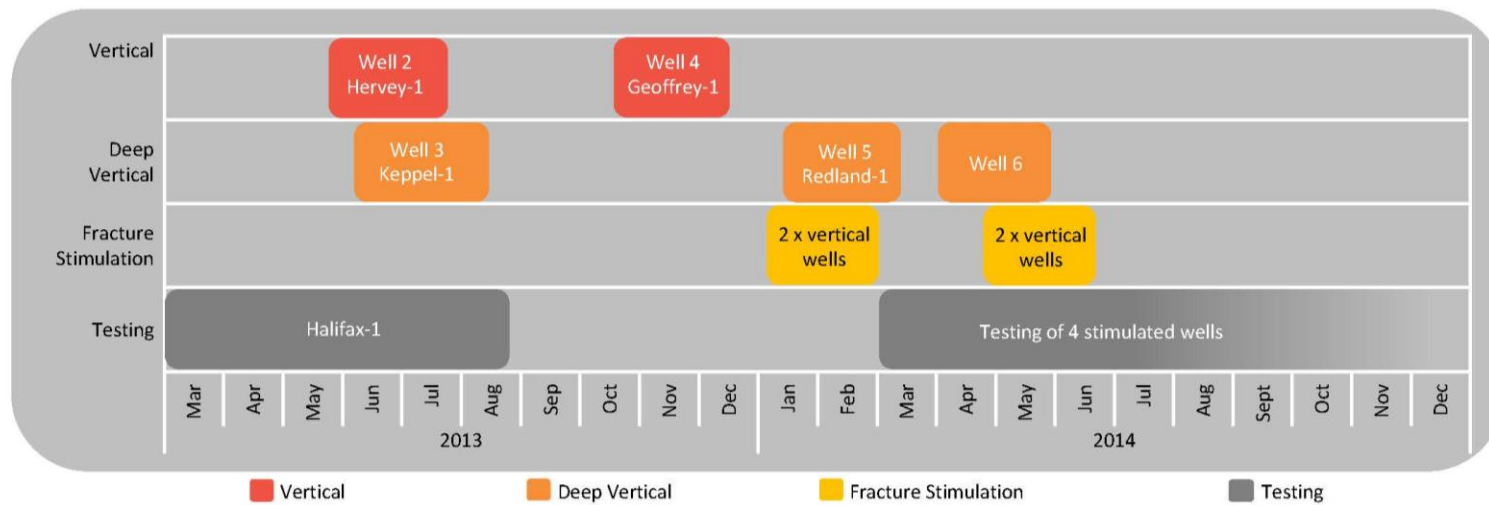
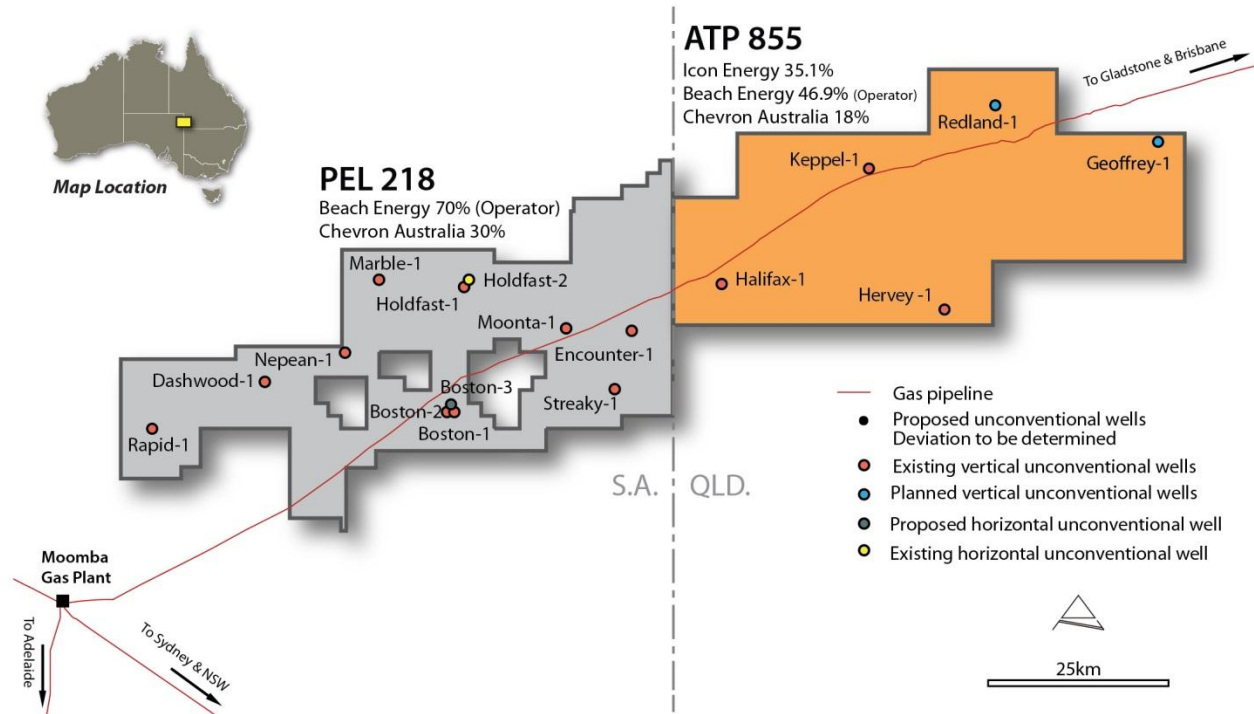
*“The Contingent Resource booking is the first step towards our primary objective of **proving up 2Tcf 2P reserves in ATP 855.**” Ray James MD Icon Energy*

2C contingent resource of 629Bcf for single well exploration result

1. The Contingent Resource estimate was evaluated by a well-respected international petroleum resource evaluation company in accordance with the Petroleum Resources Management System (March 2007). Contingent resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (OHIP), and confirmation of prices and development costs.



ATP 855 JV work programme





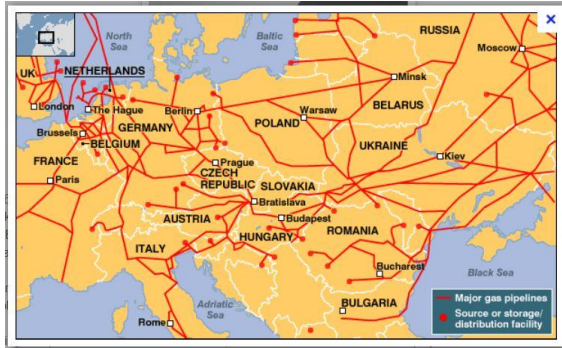
- Moomba-191 estimated well and connection costs of \$10 million for vertical wells optimised for production
- Estimated recovery per well of 3-6 bcf
- At circa \$6GJ, Santos and Beach have indicated that vertical shale wells are economic based upon Moomba 191 characteristics
- Horizontal wells provide opportunity for significant additional value enhancement



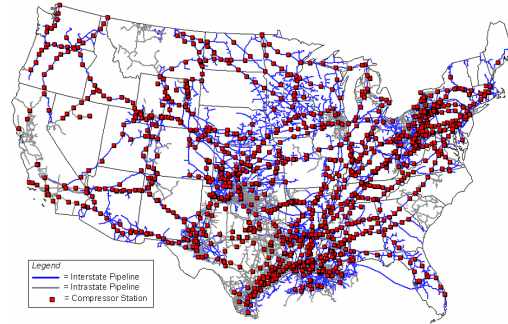
The results from Moomba 191 indicate that Cooper Basin shale can be commercially produced



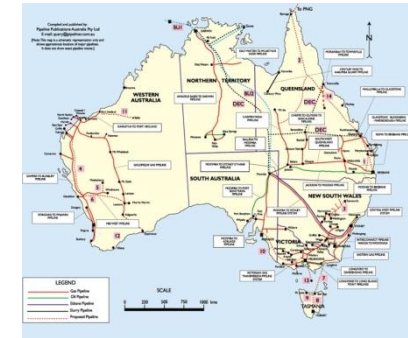
Infrastructure challenges facing Australia's gas exploration



European gas pipelines



USA gas pipelines and compressor stations



Australia gas pipelines

Land Area

3.79mil²

2.97mil²

Rigs

1,800

50

Wells

37,000

1,200

Processing₁

600

25

Pipelines

350,000km

20,000km

1 Number of plants

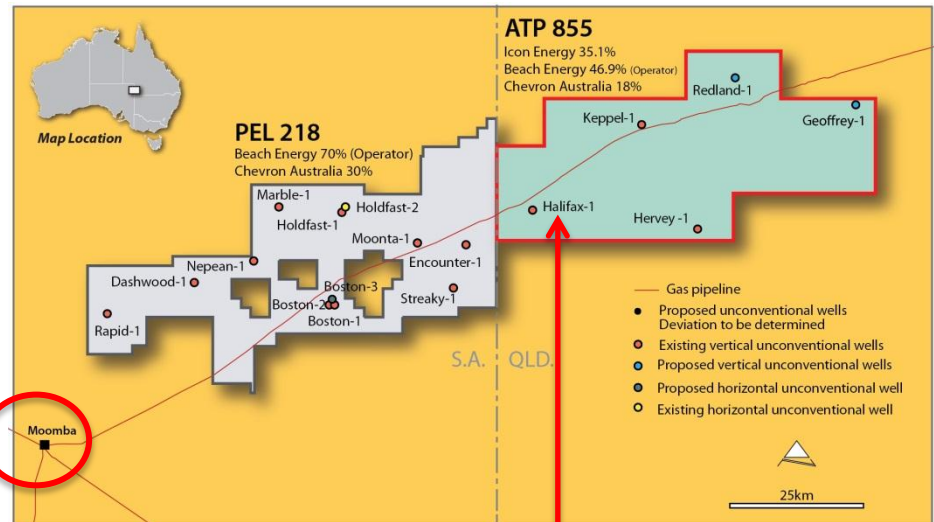


Cooper Basin Extensive Infrastructure

Ownership: Moomba processing hub, South Australian Cooper Basin Joint Venture (SACB)

- Processing capacity 550 TJ/day (Moomba & Ballera) with plans to expand
- 70 PJ gas storage
- 6,000km flow lines
- Access to East Coast gas market
- Pipeline capacity to transport gas from Moomba to Wallumbilla gas hub
- Potential to process ATP 855 gas through existing SACB JV infrastructure (subject to negotiation with the SACB JV)

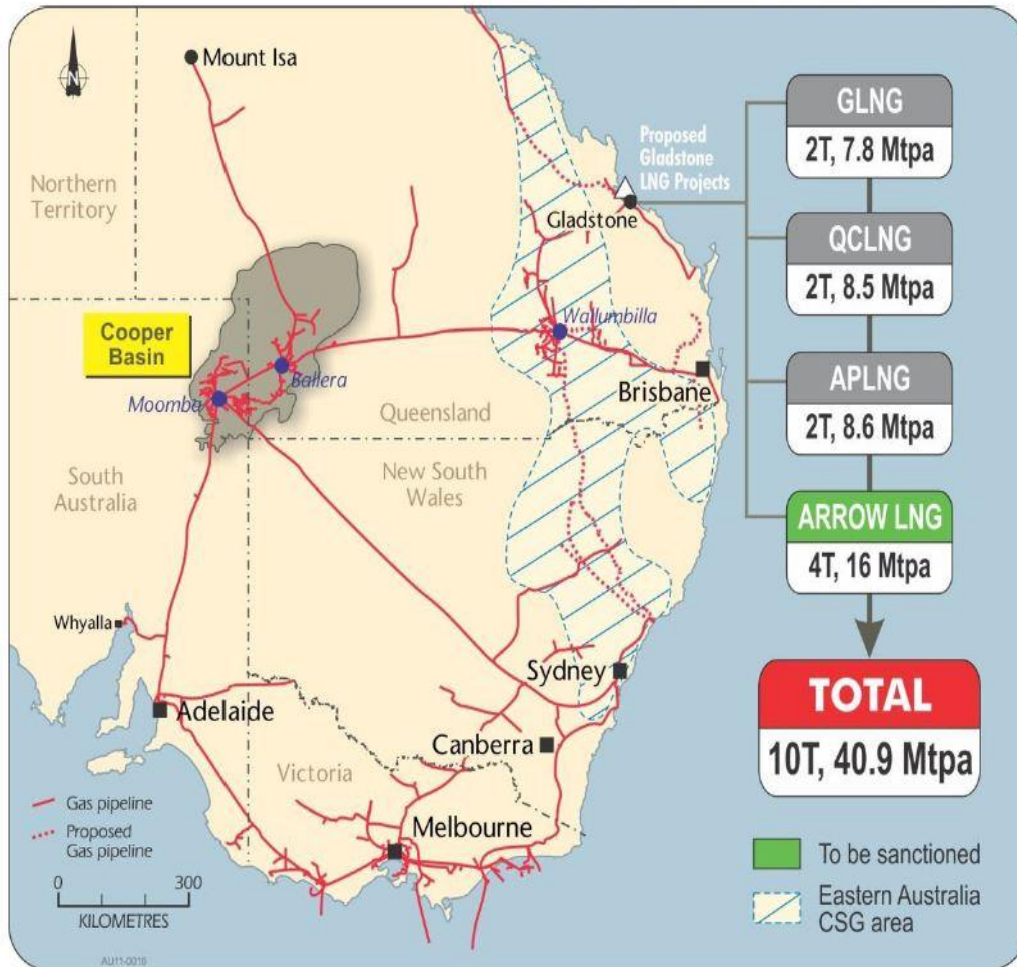
Moomba Processing Hub



Halifax-1 well is approximately 2km from the Moomba to Ballera gas pipeline



Gladstone based LNG projects



- 80% of East Coast reserves are owned by parties developing LNG projects or with LNG aspirations
- Industry commentators suggesting gas prices trending towards \$6-9/GJ
- Recent gas supply contracts signed between \$6-\$9/GJ
- Acknowledged shortage of gas supply by LNG proponents

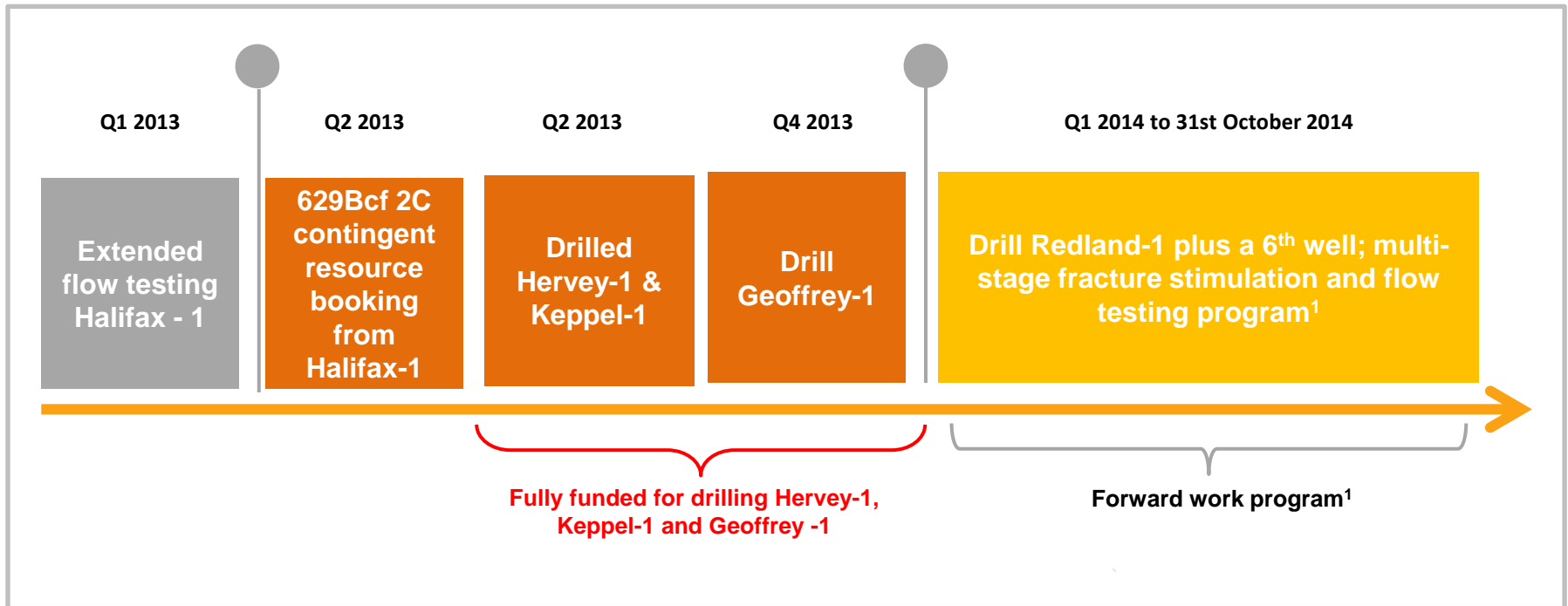
Benefits of Shale Gas as LNG supply source

- No community issues, excellent coexistence
- No water management issues
- No contribution to community infrastructure
- Early gas delivery, no dewatering period
- Attractive well economic profile
- Access to gas infrastructure



ATP 855 - Work Program 2013 - 2014

- Geoffrey-1 spudded on 14th October 2013, then Redland -1 followed by a further commitment well
- Exploration program 6 wells in ATP 855 by 31st October 2014¹
- Continue proving up the Basin Centred Gas play across ATP 855
- Expected significant 2C Contingent Resource booking from additional wells in 2014 to build on initial 629Bcf 2C around Halifax-1
- Hydraulic stimulations and flow testing of wells in 2014¹



¹ Subject to approval by Joint Venture and schedule changes



- ✓ **Access to a potential multi-Tcf, gas resource base**
 - ✓ Cooper Basin, unconventional basin centred shale gas play
- ✓ **Exploration program; 6 wells in ATP 855 by 31st October 2014**
 - ✓ Spudded Geoffrey -1 14th October followed by Redland -1¹ and one further commitment well
- ✓ **Icon's near term focus on booking additional shale gas 2C Contingent Resource in the Cooper Basin**
 - ✓ Considerable activity in the unconventional shale and basin-centred gas sector within Australia
- ✓ **Significant catalysts exist in the short term in the Cooper Basin**
 - ✓ Fracture stimulation and flow testing of wells in the 6 well programme¹
 - ✓ Technical attributes including the overpressure of Halifax-1, Hervey-1 and Keppel-1 compare favourably to the successful wells immediately adjacent
- ✓ **Catalysts in 2013-2014**
 - ✓ Multiple wells and potential production testing phase anticipated in Nappamerri Trough in 2013- 2014
- ✓ **Icon Energy own 35.1% of ATP 855 (414,000 acres)**
 - ✓ Large upside gas potential in a tightening domestic gas market post 2016-17

¹Subject to JV approval



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