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The Manager
Company Announcements Office
Australian Securities Exchange Limited
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ASX/MEDIA STATEMENT

Beach Petroleum farms into Icon Energy's ATP 855P for up to \$8.5m

Beach Petroleum Limited (BPT) and Icon Energy Limited (ICN) have signed farmin letter of agreement for Icon Energy's ATP 855P tenement in a deal worth up to \$8.5m.

The agreement involves Icon farming out up to half of its 80% interest in ATP 855P.

Beach can earn up to a 40% interest for an up to 8.5m commitment.

The agreement is subject to the negotiation of the necessary documentation and regulatory approvals.

Beach Petroleum will also subscribe to \$3.5m placement in Icon securities.

This farmin targets the potential deep shale gas deposits in ATP 855P and is complimentary to Icon's existing Coal Seam Gas (CSG) operations.

ATP 855P is adjacent to the PEL 218 tenement in South Australia and is traversed by the Moomba to Ballera Gas Pipeline. This pipeline enables potential access to markets for any gas discoveries.

Icon Energy Managing Director, Mr Ray James said: "this farmin is a major achievement for the Company and Icon is delighted to form this new joint venture with Beach".

Mr James said that the market currently undervalued Icon's tenements outside of its key ATP 626P permit, despite their potential to make a major contribution to the Icon's share price.

"This farmin is a major step forward in adding value to one of Icon's most prospective tenements outside ATP 626P," he said.

ATP 855P occupies a total area of 1,674 square kilometres and is located on the eastern side of the Queensland and South Australian border and is 50km west of Jackson.

The area is surrounded by existing oil and gas production units as indicated in the attached diagram. This diagram also shows the geothermal permits, EPG 49 and EPG 51 overlaid on ATP 855P.

Icon Energy retains the geothermal permits which are not part of the farmin arrangements.

Mr James said that the geothermal permits are an important part of Icon's energy diversification strategy.

In the first stage of the farmin, a 25% interest in ATP 855P will be acquired by Beach Petroleum by contributing 80% of the cost of seismic reprocessing and the acquisition of an additional 300 kms of 2D seismic.

The remainder of the seismic costs will be borne by the existing 20% interest holders in ATP 855P.

Beach have the option to earn a further 15% by contributing to Icon's participating interest share of the drilling costs up to \$7 million.

Mr James said "at current costs for seismic data gathering, the total farmin would be valued at \$8.5m".

Subject to the final negotiation of the Share Subscription Agreement and approval of Icon shareholders in general meeting, Beach Petroleum will also subscribe for \$3,500,000 of Icon Energy securities.

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ATP 855P

