
Registered Office:

4 Miami Key
Broadbeach Waters
Queensland 4218 AUSTRALIA

Ph: 61+ 07 5554 7111
Fax: 61+ 07 5554 7100
Email: info@iconenergy.com
Web: www.iconenergy.com

ASX/Media Release

Investor enquiries:

Ray James - Managing Director
Telephone : (+617) 55 547111
Facsimile : (+617) 55 547100
Email : info@iconenergy.com
Or Visit : www.iconenergy.com

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ICON AND BEACH SETTLE ATP855P DISPUTE

Icon Energy Limited (**ASX: ICM**) and Beach Energy Limited (**ASX: BPT**) have resolved their dispute in relation to the prospective ATP855P tenement, and have agreed to work together under a Farmin Agreement executed today.

Under the terms of their agreement:

- The Federal Court proceedings will be discontinued;
- Icon has now transferred a 40% interest in ATP855P to Beach (subject to Ministerial approval);
- Beach will drill a horizontal pilot unconventional well into one of the strata comprising the Roseneath, Epsilon & Murteree sequence, then case and suspend the well, suitable for fracture stimulation, which is expected to occur within 30 days of rig release from the well;
- Beach will fund Icon's share of the farmin operations at an estimated cost of \$16 million (gross), with the exception of a \$1.75 million contribution to be made by Icon;
- The cost of fracture stimulation, completing and flow testing the well will be paid by the Joint Venture parties in proportion to their Participating Interest shares;
- Beach will be recommended by Icon to be the operator of the ATP855P permit;
- Icon will be recommended by Beach to undertake the management of coal seam gas operations in both ATP855P and PEL218 Post Permian Joint Ventures; and

- Beach will effect the assignment of Icon's Phase 2 Post Permian PEL218 interest upon Ministerial consent to the transfer of a 40% interest to Beach in ATP855P, giving Icon a 33.333% interest in the PEL218 Post Permian Joint Venture.

The interests of the parties in ATP855P following this agreement are:

Icon Energy Limited (40%)
Beach Energy Limited (40%)
Deka Resources Pty Ltd (10%)
Well Traced Pty Ltd (10%)

Both Icon and Beach are pleased with this agreement, and look forward to working closely together with each other and the other ATP855P participants to develop the exciting prospects offered in the emerging shale gas play in the Nappamerri Trough in southwest Queensland.

ENDS