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energy for the future - the future of energy



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13 March 2013

ASX Company Announcements Office

Re: Public Announcement – Future Gas Presentation

Please find attached a copy of a presentation to be delivered to the 2013 Future Gas Conference in Brisbane on Wednesday 13 March 2013.

A handwritten signature in black ink, appearing to read "Ross Mallett".

Ross Mallett
Company Secretary
Icon Energy Limited

Icon Energy Future Gas Conference

13 March 2013



Mr Richard Holliday
Commercial Manager



Good morning and thank you for your kind introduction and the opportunity to talk about; **Shale Gas-the energy source for the future and at what price**

Before I go any further, I can see some of you thinking, why is there an photo of people at the Sydney Opera House on the front page of this presentation?

As an industry we use far too many images of drilling rigs and infrastructure and in my opinion we often overlook our stakeholders, particularly those living in capital cities. We need to build our social licence to operate every day and a failure to do this is evident in NSW today



Disclaimer

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Disclaimer



- Energy demand, price, supply
- Unconventional gas (Shale Gas)
- Icon Energy, where do we fit?

In discussing shale gas, I'd like to address three points

- Energy demand, price & supply
- Unconventional gas (Shale Gas)
- Icon Energy, where do we fit?

and if time allows a few questions. I must say up front, I'm not a geologist or technical expert on unconventional gas



There is a saying, “if the media are not talking about you, then you’ve not said or done anything worth talking about, or reporting”.

This can’t be said of the gas industry

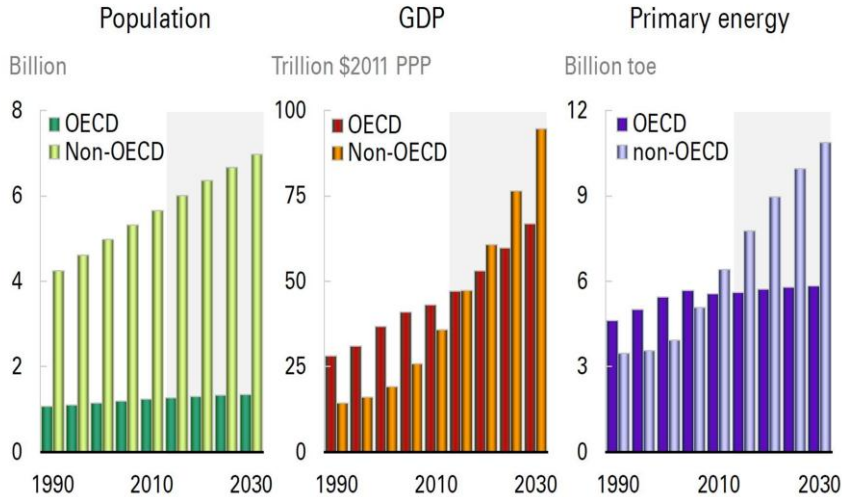
As a broad industry and there are some regulators with us today, we need to acknowledge some of these headlines and I could have selected hundreds of others;

- Protests put CSG plan on hold
- Shale revolution hits our shores
- Exxon BHP pushing to link Bass Strait gas to overseas oil prices
- Gas price rises inevitable, defiant producers say
- Origin secures record price
- More gas not regulation
- Over regulation risks raising pressure on vital gas supplies, and Santos CEO, pleads for stable gas policy before poll

The highly respected commentator, Alan Kohler writing for the Business Spectator 22nd January this year under the heading, ***Gas supplies are a big fracking deal*** went on to say, ***“What’s needed is less regulation, not more. Specifically, Australia needs to join the world trend towards opening up tight reserves in coal and shale by the amazing technique of hydraulic fracking. This country should have a glut of energy, not a looming shortage”.***



Population and income growth are the key drivers behind growing demand for energy



Source: BP Energy Outlook 2030

5

This morning I wish to set the scene in relation to why Australia is developing our unconventional shale gas resources, in a single word demand

In BP's Energy Outlook 2030, population and income growth in non-OECD countries is the key driver behind higher energy demand and by 2030 the world's population will be 8.3 billion or an additional 1.3 billion people (+18%) consuming energy and world income is expected to double the 2011 levels

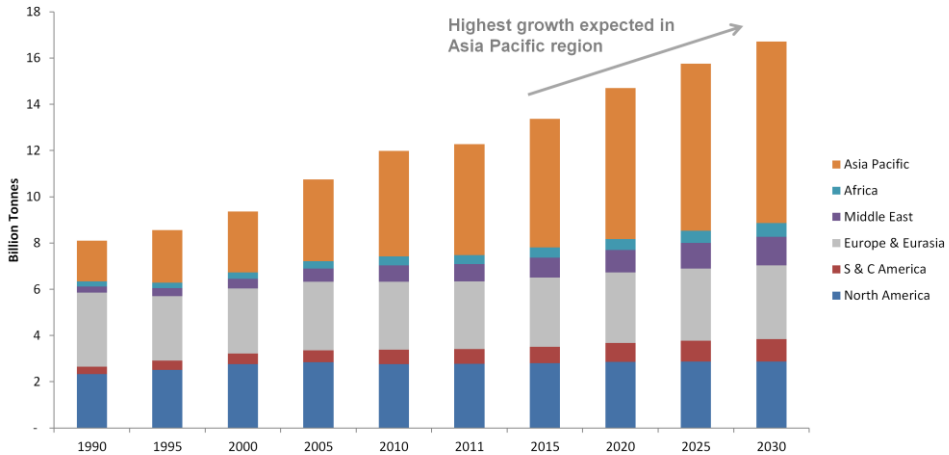
World energy demand will rise by 36% over the next 19 years, remembering the population growth was half that, at +18%

Almost all, 93% of energy growth will be in non-OECD countries and energy used for power generation will grow by 49% (2.1%pa) and among fossil fuels gas grows the fastest, 2% pa

The world will become more energy efficient, however we will need more energy



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



Source: BP Energy Outlook 2030

6

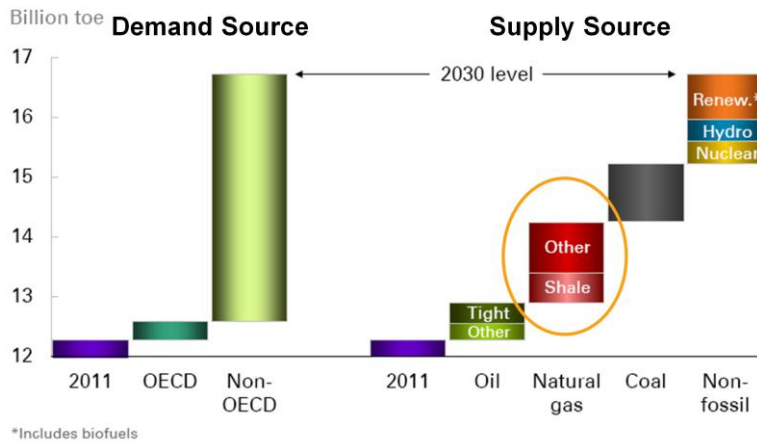
As I mentioned, non-OECD countries are leading the growth in energy demand with China and India leading the economic growth and opening up the potential to grow energy exports from Australia

If we were to look at a global energy map we will see significant changes driven by oil and gas production in the USA, the reduction in focus on nuclear power and the emerging renewable sector

These statistics representing growth, present opportunities for Australia to increase exports of our valuable resources, especially gas



From 2011 to 2030 shale gas more than trebles and tight oil grows more than six-fold – together accounting for almost a fifth of the increase in global energy supply to 2030



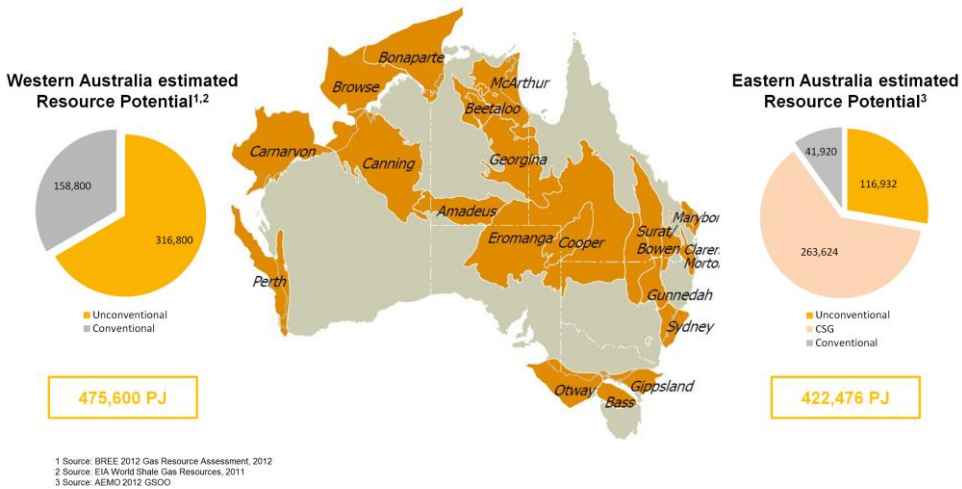
Source: BP Energy Outlook 2030

From 2011 to 2030 shale gas more than trebles and tight oil grows more than six-fold- together accounting for almost a fifth of the increase in global energy supply to 2030

Shale gas to more than treble in growth



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



How is Australia positioned to take full advantage of export opportunities as well as meet domestic gas demand? Australia has abundant estimated gas resources as shown, 402Tcf on the East Coast and 453Tcf in Western Australia and we need to ensure we have a highly skilled workforce to deliver these resources

There are varying views on Australia's resource potential, however new technology is allowing us to increase our resources base especially in shale gas

Looking at this map and the estimated resources, it is easy to see why Australia is an attractive destination to invest, we have an abundance of gas

To invest in long term exploration projects that may not be cash flow positive for between 5 and 7years, we need a commitment from Government for a stable regulatory regime where the operating conditions are clearly stated, understood, can be managed and appropriately budgeted for, and it is timely to consider a single regulatory regime across QLD and SA for the Nappamerri Trough in the Cooper Basin

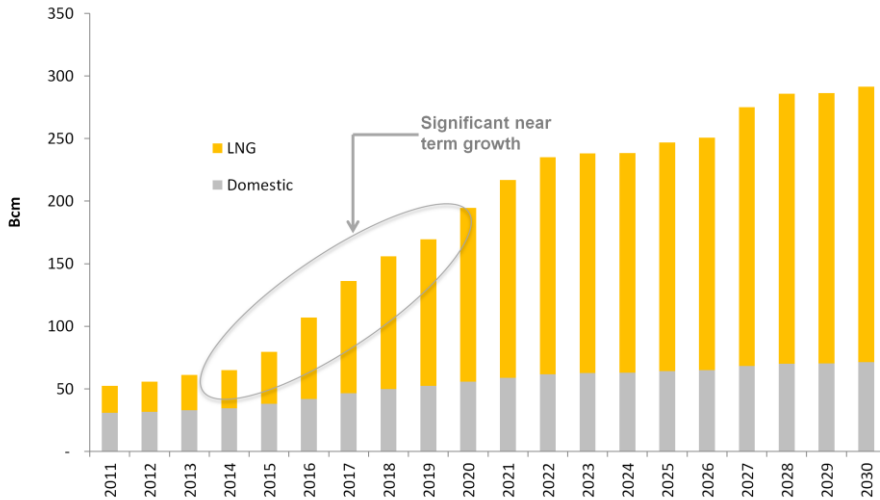
One can't expect Boards of Directors to commit billions to large infrastructure projects and to invest in uncertainty, this will simply not work as the world is a competitive market for investments

In recent weeks we have seen AGL place their CSG exploration in Camden NSW on hold¹, Santos withdraw its Narrabri NSW CSG proposal² Metgasco said of the NSW Governments proposed new CSG regulations, "They could have a significant impact on our CSG operations"³ 1SMH 08.02.13, 2) Financial Review 13.02.13 3 Metgasco Release 19.02.13.

As an industry we must identify and manage risk earlier and engage in a more meaningful conversation with our stakeholders across Australia. Science should not be the casualty of community debate, science must be the basis on which we have the debate



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



Source: Wood Mackenzie

Australian domestic gas demand is increasing, however small by comparison to the LNG exports

It has been the CSG to LNG export opportunities that has provided the price stimulus to explore for shale gas resources across the Cooper Basin and underpin the significant investment in CSG and the broader industry over the past several years

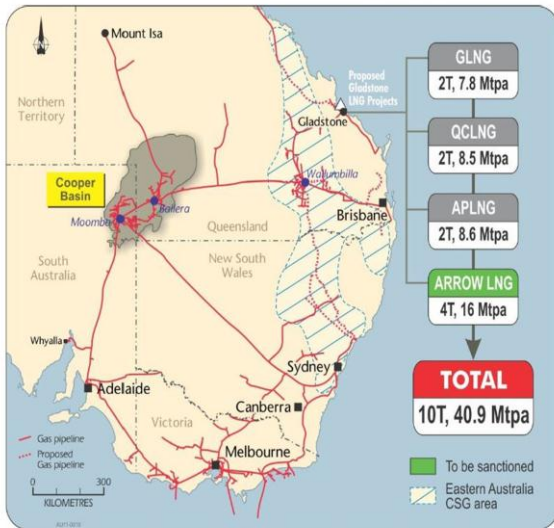
There has been a lot of public commentary about Australian domestic gas prices both in the short to medium term. We must keep in mind, our resources are owned by all Australians, those living in the bush, those in the cities and by utilising new technology driven by an increased demand for energy which has created upward movement in price, we are unlocking resources that up until a couple of years ago were considered non commercial. This is a good result for all. Before leaving gas price three points.

- 1) As reported on 17 January 2013 by Santos, their average gas price increased by 9% compared with the previous year
- 2) It is understood Origin Energy has signed a gas contract close to \$9.00/GJ with North Queensland miner MMG (The Australian 21.12.12)
- 3) The Australian Energy Regulator says, gas prices in Queensland may reach between \$7-\$12/GJ by the end of the decade

I have set the scene relative to world demand - and Australia's position in relation to resources - and I now wish to turn to how we can convert these resources into income and maximise our investments - which after all is the priority of all businesses not just the gas business. Shortly I will address the emergence of international companies investing in Australian resources



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

Source: Beach Energy

Make no mistake as I said earlier, the export LNG market has provided the platform and pricing structure to unlock our shale gas resources and we must have an efficient supply chain for the long term financial commitment to shale gas exploration;

- A\$180 billion is being spent in Australia on natural gas projects including over A\$60 billion on 3 LNG plants in Gladstone, a comparison to think about. A\$180 billion would build one hundred and five, seven hundred and fifty bed public hospitals
- Last week, I read comments where, a further A\$100 billion could follow in a second wave of investment in gas infrastructure
- Additional LNG plant awaiting FID (Arrow/Shell)
- Domestic gas prices are increasing
- 3rd LNG trains greatly enhance profitability for all Gladstone LNG companies
- Shale gas is a very attractive feed gas for LNG plants
- Gladstone will become a world leader in LNG exports

Now lets look at how we can meet demand



Infrastructure challenges facing Australia's gas exploration

	USA	AUST
Land Area	3.79mil ²	2.97mil ²
Rigs	1,800	50
Wells	37,000	1,200
Processing ¹	600	25
Pipelines	350,000km	20,000km

¹ Number of plants

11

This slide places gas exploration in Australia into context



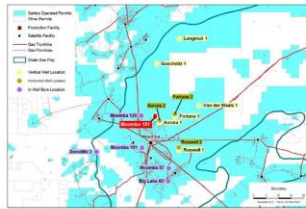
Cooper Basin Unconventional Exploration

Prioritising 2 significant resource plays

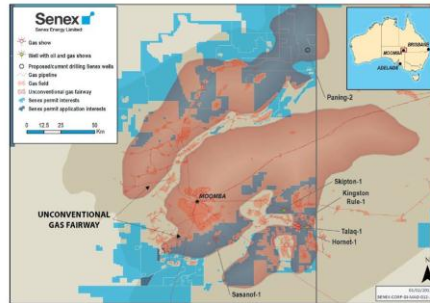
- Moomba REM shale
- Nappamerri Trough Basin Centred Gas

Estimated capital spend of ~\$200M⁽¹⁾

1. Senex JV, subject to approval

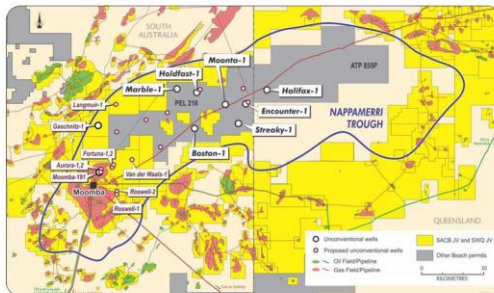


Source: Santos

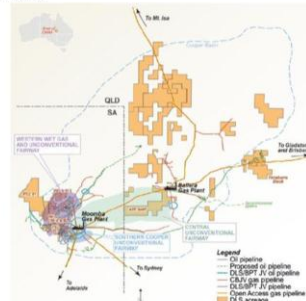


Source: Senex

Source: Beach Energy



Source: Drillsearch



You can see that we have unprecedented gas exploration in the Cooper Basin, why?

Well according to the US Energy Department, Australia has the world's fifth-largest potential shale resource, with about 396 trillion cubic feet (Tcf), I stress potential resource

Australia's biggest domestic gas producing regions, the Cooper Basin and Bass Strait have produced 6-7 trillion cubic feet of gas each over the past 40 years

I shall let you take these numbers in, 396 Tcf contingent resources (GIIP) and a combined 12–14 Tfc produced (per year) over 40 years, so how many years supply of shales gas do we have in Australia?

Well over \$ 1 billion dollars has been announced for potential exploration by companies including Santos, Drillsearch, Beach, AWE, Senex, Strike, Central Petroleum and New Standard Energy

Santos have a goal of, material commercial shale production by 2015 and James Baulderstone VP Eastern Australia Santos recently said, **"We're pretty confident we're onto something substantially very large"**.

In late 2012, Moomba-191 (Santos, Beach and Origin) was Australia's first commercial unconventional well, initially flowing 3.0mmscf/d

The World Energy Outlook 2012 report says, **"Unconventional gas accounts for nearly half of the increase in global gas production to 2035, with most of this increase coming from USA, China and Australia"**. Hang on for Australia's very own **'shale gale'** over the next decade or two!

In my mind, for the shale gas industry to grow we need a number of things, and there are many more we could add to this list;

- 1) We need, to grow public confidence and this must be underpinned by a regulatory regime and ongoing meaningful engagement. Industry also needs to deliver exemplary performance and
- 2) We need, technical excellence utilising International best practices in shale gas exploration
- 3) We need, resource certainty in terms of tenure, ie relinquishments (cost of exploration and timelines)
- 4) We need, access to capital markets for significant long-term funding
- 5) We need, a competitive and robust service provider environment, with an absolute focus on significant cost reduction
- 6) We need, access to an efficient and modern supply chain from the Cooper Basin to markets and
- 7) We need, a robust shale gas regulatory regime based on risk, and the South Australian Government via the "Roadmap for Unconventional Gas Projects" have led the way on this and they are to be congratulated

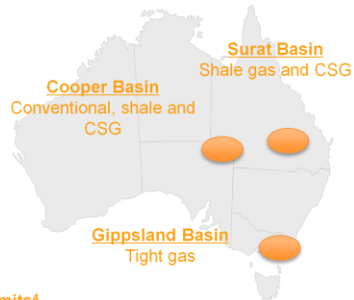
Industry has completed over 2500km of 2D and 3D Seismic in the Cooper Basin in the past year (435km 2D in ATP 855P). Every activity continues to de-risk the shale gas play

Now, where does Icon Energy fit in the shale gas story ?



Icon Energy is an unconventional gas focused company with access to a world class and potential multi-Tcf resource base

- Formed in 1993, Icon Energy has interests in three prolific hydrocarbon basins
 - Cooper Basin:** Discovered major shale gas resource in the Nappamerri Trough
 - Surat Basin:** Significant CSG resource potential, funded through farm-out
 - Gippsland Basin:** Highly prospective tight gas onshore acreage in a prolific oil and gas producing basin
- Market capitalisation ~\$120m¹
- Net cash ~\$17.75m²
- Shares on issue: 533.4million⁵



Key Permits⁴

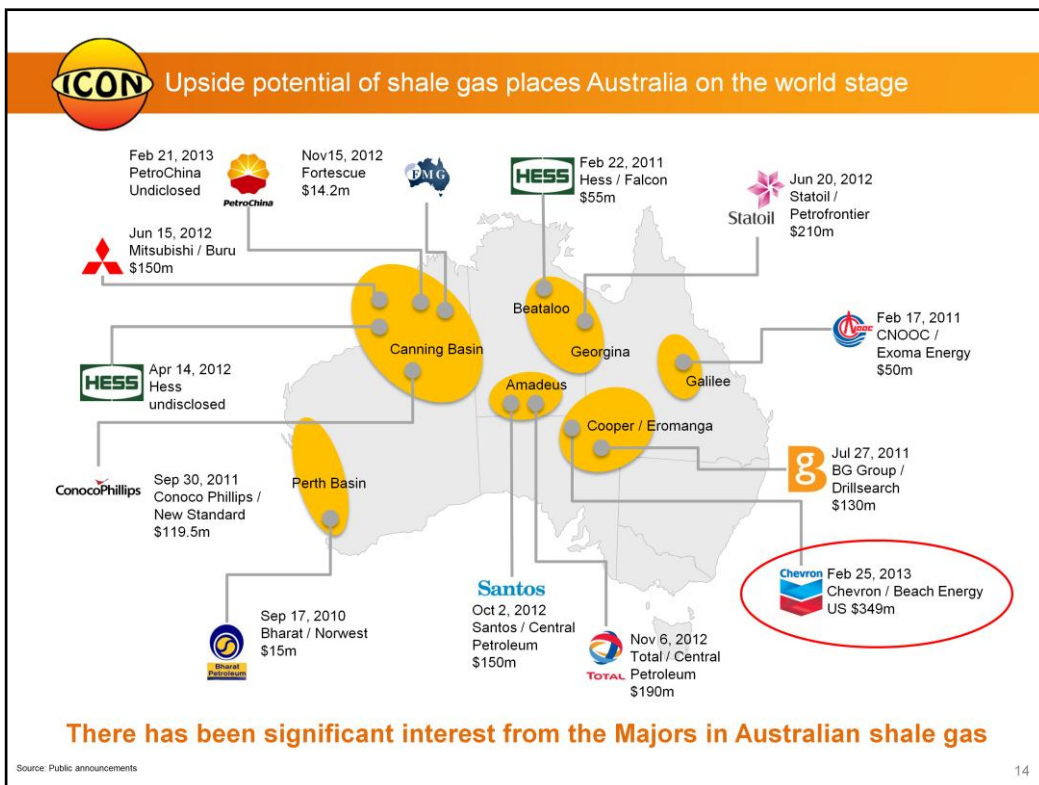
Basin	Type	Permits	Acres (gross)
Cooper	Shale, CSG	ATP855 (40%), Beach operated	413,654
		PEL218 (33.33%) (post-permian) Beach operated	395,862
Surat	Shale, CSG	ATP626P (50%) ³	549,562
		ATP849P (80%)	952,344
Gippsland	Tight Gas	PEP 170 (100%)	825,331
		PEP 172 (100%)	
		PEP 173 (100%)	

1. As at 11 March 2013
 2. As at 21 January 2013. Gross cash \$21.1m, debt \$3.4m
 3. Post Farm-in
 4. Icon holds a number of other Eromanga and Cooper Basin permits
 5. As at 21 January 2013

Icon Energy holds over five and a half million acres of prospective tenements in Australia including some 800,000 acres in the Nappamerri Trough in the Cooper Basin and over 825,000 acres in the Gippsland Basin in Victoria and this acreage places us at the centre of future shale gas exploration

The Energy Information Administration’s (EIA) world energy report indicated some 342 TCF of gas in the Cooper Basin, and of this 85TCF of recoverable gas.

This was before Monday 25th February, so let’s talk about what happened then



On Monday 25th February, we saw Chevron Australia farm into the Cooper Basin via Beach Energy, and this is a US\$349 million farmin deal over two stages and over a number of years

In addition to this, Icon has been granted a put option by Beach Energy, exercisable by Icon up to 30 June 2013, where Icon can require Beach Energy to acquire a 4.9% interest in ATP 855 from Icon on payment by Beach Energy of US\$18 million

Chevron Australia add to a growing list of overseas companies investing in gas projects in Australia such as, Hess, BG Group, Petro China, Total, ConocoPhillips and Statoil. These companies don't invest unless they have undertaken a great deal of due diligence on the potential investment and they can see the opportunity.

Given the size of the prize and the estimated potential of shale gas in the Cooper Basin, I'm confident there will be more international investment in shale gas resources as well as a further rationalisation of gas assets

Drillsearch recently reported and I quote, ***"Our focus on the Cooper Basin Unconventional Resources continues to attract interest from international parties seeking to secure a foothold in the Cooper Basin"*** (Source: Drillsearch Q2 Report Dec 2012)

Now what did the media make of the Chevron farm in deal?



ATP - 855P (Icon 40%) Attracts World Class JV partner – Chevron

CHEVRON TO BUY COOPER BASIN SHALE GAS ASSETS FROM BEACH ENERGY

By: Ross Kelly
From: Dow Jones Newswires
February 25, 2013



CHEVRON ENTERS AUSTRALIAN SHALE GAS INDUSTRY WITH BEACH DEAL

By: James Paton
February 25, 2013



CHEVRON PUTS SPARK INTO SHALE GAS STOCKS

Paddy Manning
February 26, 2013



CHEVRON SET TO TAKE BEACH GAS STAKE

February 25, 2013



CHEVRON CORP LATEST OIL MAJOR TO MAKE AUSTRALIAN SHALE BET

February 24, 2013



ICON BENEFITS FROM \$349 MILLION DEAL

By: Nick Nichols
February, 2013



CHEVRON'S SHOVE-ALONG FOR AUSSIE SHALE

By: Stephen Bartholomeusz
February 25, 2013



CHEVRON'S AUSTRALIAN SHALE OPTION

By: Robb M. Stewart
February 27, 2013



CHEVRON ENTERS AUSTRALIA SHALE GAS IN BEACH JV

By: Angela Macdonald-Smith
February 25, 2013



BEACH ENERGY SIGNS UP CHEVRON FOR US\$349M COOPER BASIN UNCONVENTIONAL GAS DEAL

By: Bevis Yeo
February 25, 2013



BEACH SOARS ON CHEVRON EXPLORATION DEAL

February 25, 2013



COOPER BASIN HOME TO MAJOR GAS PROJECT

By: Tim Dornin
February 25, 2013



ENCOURAGE DOMESTIC GAS SUPPLY RATHER THAN MANAGE OUTPUT

By: John Durie
February 25, 2013



CHEVRON INVESTS IN AUSTRALIAN SHALE GAS PROSPECTS FOR US\$349 MILLION

By: Ross Kelly
Dow Jones Newswires
February 24, 2013



15

The media coverage was overwhelmingly positive to see another major international company invest in Australia's gas potential;

- Chevron to buy Cooper Basin shale gas assets
- Chevron puts sparkle into gas stocks
- Icon benefits from US\$349 million deal

Now what does all this mean for Icon Energy?



ATP - 855P (Icon 40%) Attracts World Class JV partner – Chevron

- Beach Energy announced a farm out up to 60% of its interest in PEL 218 (Beach 100%) and ATP 855P (Beach 60%, Icon 40%) to Chevron¹
- Envisaged two stage work program in PEL 218 and ATP 855P, with Beach to potentially receive payments totalling US\$349 million
- Icon Energy retains 40% interest in ATP 855P
- Icon has put option to sell 4.9% of ATP 855P to Beach Energy for US\$18 million³
- Icon Welcomes Chevron as a JV partner to ATP 855P
 - ✓ Global experience and leading technical capability
 - ✓ Unconventional resource experience:
 - ✓ USA and Canada (Duvernay, Marcellus, Utica, Wolfcamp)
 - ✓ Poland, Romania, China, Lithuania and Argentina
 - ✓ Exposure to >7 million net acres
 - ✓ Outstanding exploration track record in Australia
 - ✓ Largest Australian E&P investor
 - ✓ Gas commercialisation/financial capability
 - ✓ Natural gas production more than 4.9 Bcf/d
 - ✓ US \$225 billion market cap (as at 21 Feb 2013)
 - ✓ 57,000 employees

ATP 855 – Beach Energy Transaction

Stage 1	Chevron acquires initial 18% from Beach Energy for US\$59 million cash
Stage 2	Chevron acquires further 18% from Beach Energy for US\$36 million cash ²
Icon Put Option	Icon put option to sell 4.9% to Beach Energy for US\$18 million ³

1. Subject to a number of conditions and approvals
2. Chevron election to proceed to acquire stage 2 in the period from 1 September 2014 to 31 March 2015
3. Put option excisable by Icon up to 30 June 2013

16

As I have mentioned, Beach Energy announced a farm out up to 60% of its interest in PEL 218 (Beach 100%) and ATP 855P (Beach 60%, Icon 40%) to Chevron¹

Envisaged two stage work program in PEL 218 and ATP 855P, with Beach to potentially receive payments totalling US\$349 million

Icon Energy retains 40% interest in ATP 855P

Icon has put option to sell 4.9% of ATP 855P to Beach Energy for US\$18 million³

Chevron has global experience and has a leading technical capability, unconventional resource experience including:

Operations in USA and Canada (Duvernay, Marcellus, Utica, Wolfcamp)

Poland, Romania, China, Lithuania and Argentina

Exposure to >7 million net acres

Outstanding exploration track record in Australia, long history in Australia and 3000 employees

Largest Australian E&P investor

Gas commercialisation/financial capability

Natural gas production more than 4.9 Bcf/d

US\$225 billion market cap (as at 21 Feb 2013)

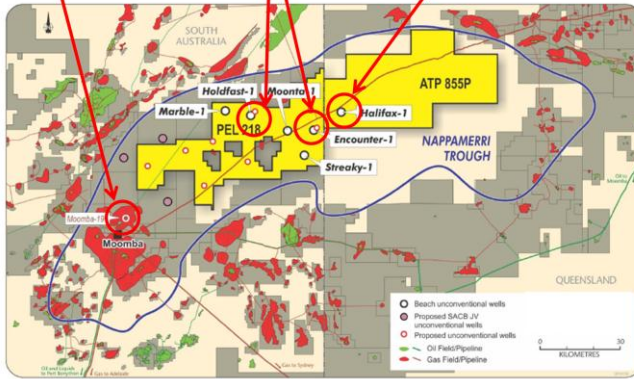


Cooper Basin (ATP855P) – Icon 40%, Beach Energy 60%

Moomba-191 drilled, tested and producing commercial shale gas within 12 months

Holdfast-1 and Encounter-1 have booked 1.3Tcf of 2C Contingent Resources

Halifax-1 (Icon 40%) drilled October 2012 discovered thickest section of REM and Patchawarra to date - located ~2km from pipeline



Source: Beach Energy

ATP855P is located close to existing gas processing infrastructure allowing fast track commercialisation

Source: ASX and company filings

- Nappamerri Trough most advanced shale basin development in Australia
- \$300-\$400m (estimate) spent - over 20 shale wells drilled during the last 24 months
- ATP 855P contains an estimated 300Tcf GIIP
- Icon holds commanding acreage position with 40% in ATP855P (Beach 60%) and 33% in post-permian section of PEL218 (Beach 100% permian, 33% post-permian)
- Holdfast-1 and Encounter-1 (Beach Energy) flowed ~2.1MMscfd and booked 1.3Tcf 2C Contingent Resource
- Moonta-1 flowed 2.6 MMscfd on a constrained basis
- Moomba-191 (Santos/Beach/Origin) flowed over 3MMscfd and declared commercial by Santos – tied into the Moomba facilities and now producing sales gas

17

Icon Energy have a 40% interest in ATP 855P and in July, Mr Reg Nelson MD of Beach Energy said “ ***there is little reason why the 300TCF plus gas in place in PEL 218, can not be replicated in ATP 855P***”

The capital expenditure on unconventional gas is well over \$1billion (Santos \$800 million over 10 years alone) and Beach Energy are drilling 11 unconventional wells, including 4 horizontal wells and undertaking 10 hydraulic stimulations November 2012-October 2013.

In our joint venture tenement ATP 855P, the flow testing of Halifax-1 commenced in mid February 2013, initially 2.23MMscf/d constrained increasing to 3.2 MMscfd (constrained) on 28 February.

The peak rate measured to date was 4.2MMscfd and the well was flowing 3.9MMscfd on 6th March, and this is the biggest flow rate from an unconventional gas well in the Cooper Basin

Beach Energy’s Moonta-1 well has flowed 2.6 MMscfd (constrained) and the Moomba-191 well (Santos, Beach & Origin Energy) was commercial within 12 months, flowing 3.0MMscfd/d

We have had very encouraging results at Halifax-1 and Mr Reg Nelson, Managing Director of Beach, said: “***The Halifax-1 well has delivered what appears to be another sizeable gas saturated section through the Permian zone of the Nappamerri Trough. Each well from this point forward will push this unconventional exploration play closer to the pilot production phase, which is anticipated in 2013.***”



Halifax 1 – Potentially the best well in the Nappamerri Trough to date

	Holdfast-1	Encounter-1	Moomba-191	Moonta-1	Halifax-1
Well Type	Vertical Well	Vertical Well	Vertical Well	Vertical Well	Vertical Well
Total Depth	3,487m	3,620m	3,010m	3,810m	4,267m ✓
REM Thickness	353m	393m	n/a	n/a	+460m ✓
Patchawarra Thickness Intersected	n/a	n/a	n/a	n/a	+490m ✓
Gas Saturated Zone Intersected	>1km	>1km	n/a	n/a	1,300m Not including Nappamerri Group ✓
Fracture stages	7	6	3	10	14 ✓
Max flow rate post fracture stimulation	~2.1MMscfd	~2.1MMscfd	~3MMscfd	~2.6MMscfd	4.2
Booked 2C Contingent Resources		1.3Tcf	n/a	n/a	TBA

- Halifax-1 flowing gas at 3.9 MMscfd
- The flow testing is on going as the stimulation fluid is returned to surface

The Halifax-1 well indicates that ATP855P is a highly prospective area within the Nappamerri Trough with expected significant uplift in flow rates and resources

Source: ASX and company filings

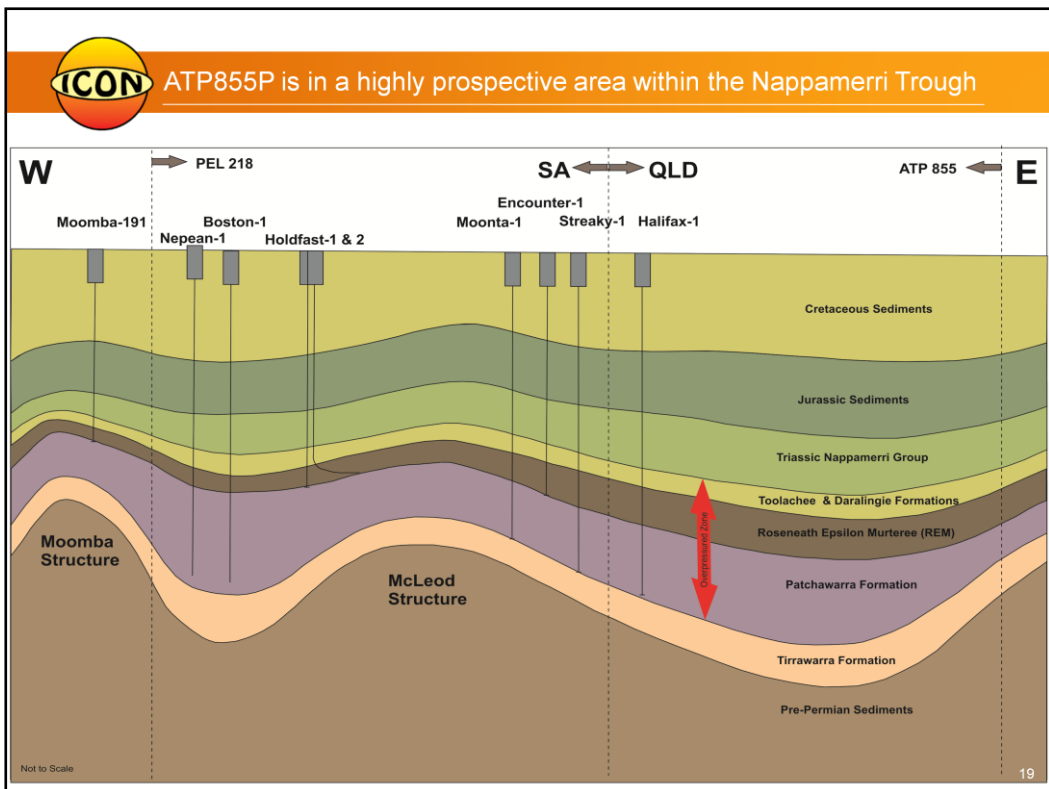
18

Halifax-1 compares favourably to other nearby wells drilled in the Nappamerri Trough and certainly the flow rates, at this stage are considerably higher (3.9MMScfd) and in Q2 we expect to make a significant 2C contingent resource booking

Over 1300m+ gas saturation in Halifax-1 compared to 1000 + metres in Moonta-1(PEL 218) The thickest gas saturation to date

Halifax-1 has the thickest REM 460 metres, nearly 20% thicker than Encounter-1, a thick Patchawarra formation of over 490 metres

Halifax-1 is a great result thus far

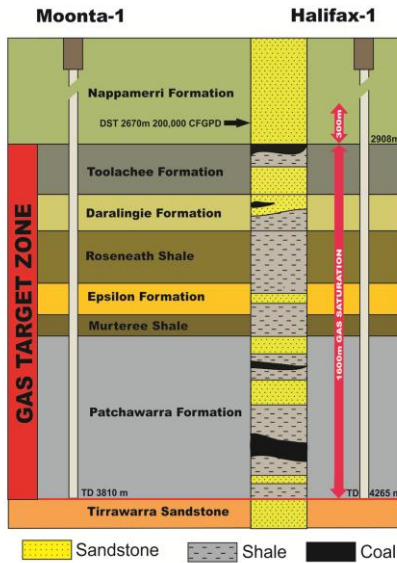


This is view of the Nappamerri Trough from the west to the east across PEL 218 and ATP 855P in Queensland showing the various formations with a focus on the REM and Patchawarra formations and in this slide you can see the first horizontal well, Holdfast-2 is a 3000m vertical and 1600m horizontal well currently being drilled in the Murteree formation by Beach Energy in PEL 218 (BPT100%)

The over pressured zones in Halifax-1 assist flow rates and the deeper formations allow for greater hydraulic stimulation options



Halifax 1 Over 1,300 metres Gas Saturation



- **Ownership**
 - Beach Energy 60% (operator)
 - Icon Energy 40%
- **Wells Drilled**
 - Halifax-1 Vertical Well
- **Activity**
 - Total Depth 4267 metres
 - Over 1300 metres+ gas saturation (Icon estimate - subject to further analysis)
 - Thickest REM section (460 metres) to date
 - Thick Patchawarra section (490 metres)
 - Deeper REM and Patchawarra provide greater fracking options
 - DST in Nappamerri formation flowed 0.2MMscf/d constrained
 - Over pressured throughout
 - Halifax-1 Hydraulic Stimulation completed
- **Other benefits**
 - Halifax-1 is 2km from gas pipelines
 - Coexistence with rural stakeholders
 - Semi-desert country, low population, stable environment, abundant artesian water
 - Relatively flat topography

20

This diagram shows the direct comparison of Halifax-1 showing a greater gas saturation zone when compared to Moonta-1 in PEL 218. We must remember, Halifax-1 is the first shale gas well to be drilled in over 414,000 acres in ATP 855P.

In the Nappamerri Formation at around 2200 metres we made a gas discovery and this was indeed an unexpected bonus, the Drill Stem Test at 2663m to 2681m flowed a constrained 200,000scf/d.

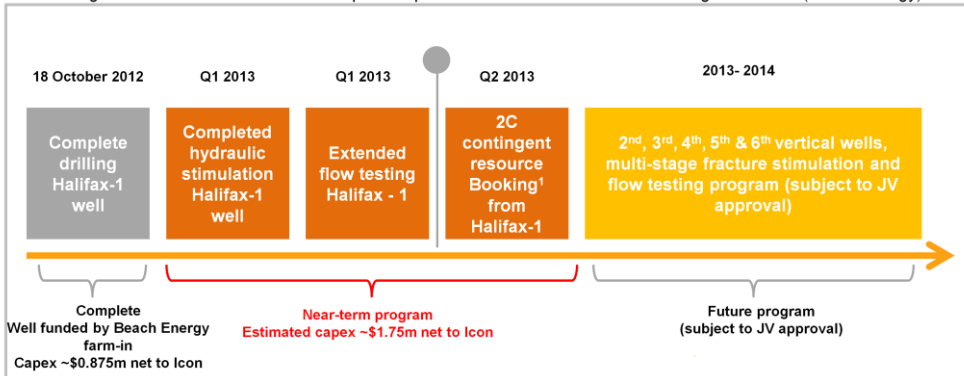
Icon Energy also have a 33% interest in the Post Permian section of PEL 218 and we believe this gas discovery may in fact be contiguous across both tenements.

If the flow rates in the Triassic sediments above the primary objective in the Permian sediment prove to be commercial, then this may change the economics in ATP 855P; shallower wells = cheaper wells.



ATP855P - Forward Work Program 2013- 2014

- 14 stage hydraulic stimulation of Halifax-1 is now completed
- Extended flow test for a period of several weeks commenced in mid February 2013
- Significant 2C Contingent Resource booking from Halifax-1 expected to be available in Q2 2013
- Next steps to expand the drilling program with the design and drilling of a second vertical well in 2013 (subject to JV approval) to further characterise production potential of shale and basin centred gas targets
- Seek to monetise early production via existing facilities
- Investigate horizontal and vertical development options. Holdfast-2 horizontal well being drilled now (Beach Energy)



21

So what's happened so far, Beach Energy have stimulated Moonta-1, Streaky-1, & Halifax-1 and the flow testing of Halifax-1 commenced in mid February, and as I have mentioned we expect a 2C resource to be booked in Q2 2013 subject to successful flow testing

Beach Energy expected to upgrade resources to reserves in 2013

Early monetisation of gas via adjacent infrastructure ie gathering lines etc

The joint venture will be drilling, an additional 5 shale gas wells subject to joint venture approval in ATP 855P during 2013-2014 to meet the tenement commitment. We look forward to announcing this information as soon as the Joint Venture parties reach agreement on the forward program

All these activities further de-risk shale gas exploration in ATP 855P and across the Cooper Basin



- ✓ **Access to a world class, potential multi-Tcf, gas resource base**
- ✓ **Near term focus on booking shale gas 2C Contingent Resource in the Cooper Basin**
 - ✓ Recent activity in the sector demonstrates market's strong appetite for exposure to unconventional gas resource
- ✓ **Significant catalysts exist in the short term in the Cooper Basin**
 - ✓ Fracture stimulation completed and extended production testing at Halifax-1 (Q1 2013)
 - ✓ Additional wells being drilled and tested in close proximity to ATP855P de-risk the resource base
 - ✓ Technical attributes including the overpressure of Halifax-1 compare favourably to the successful wells immediately adjacent
- ✓ **Medium term catalysts also exist**
 - ✓ Medium term development plan with multiple well and potential production testing phase anticipated in Nappamerri Trough in 2013/2014
- ✓ **Long term exposure to significant unconventional exploration acreage**
 - ✓ Prospective acreage in Surat Basin and onshore Gippsland Basin operated by Icon
- ✓ **Successful extension to Shantou SinoGas contract for 40Mtpa LNG over 20 years**
 - ✓ Extension deadline for "Conditions Precedent" to on or before 30 June 2014

22

The Nappamerri Trough is a potential world class gas asset and the most advanced shale province in Australia and as I mentioned earlier, there is unprecedented interest in Australia's shale gas program by media and international E&P companies

People are now re-evaluating the gas supply options and are focussing attention on supplying gas from the Cooper Basin to the LNG hub in Gladstone. Icon has a strong position in the Cooper Basin and we are well positioned into the future

We will continue to see an increase in community opposition to CSG exploration in NSW and in the Surat Basin in Queensland and this opposition has made land access more difficult, more expensive and it takes far longer to reach landholder agreement. CSG Regulations are continually being changed mid project and this makes the Cooper Basin a really attractive gas supply option for the next 20 to 50 years

The growth in Asian LNG demand will continue as the population grows and incomes rise

Icon Energy has a contract for 40million tonne of LNG (2mtpa x 20 years) with ShantouSino Energy linked to Tapis oil pricing and a 2C Contingent Resource booking of Halifax-1 will assist us towards obtaining the necessary 2P 2Tcf reserve needed for the LNG contract

Halifax-1's gas discovery (flowing 3.9MMscf/d) is a potential company maker for Icon Energy and it may reposition us from explorer to producer with exciting near term market catalysts



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Thank you for your time today, it is greatly appreciated