

10 April 2014

ASX Company Announcements Office

Re: Public Announcement – Icon Energy Market Update

Please find attached an Icon Energy market update to be delivered in Perth on Thursday 10 April 2014.

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

Ross Mallett
Company Secretary
Icon Energy Limited

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**Market Update
Perth
10th April 2014**

**Richard Holliday
Commercial Manager**



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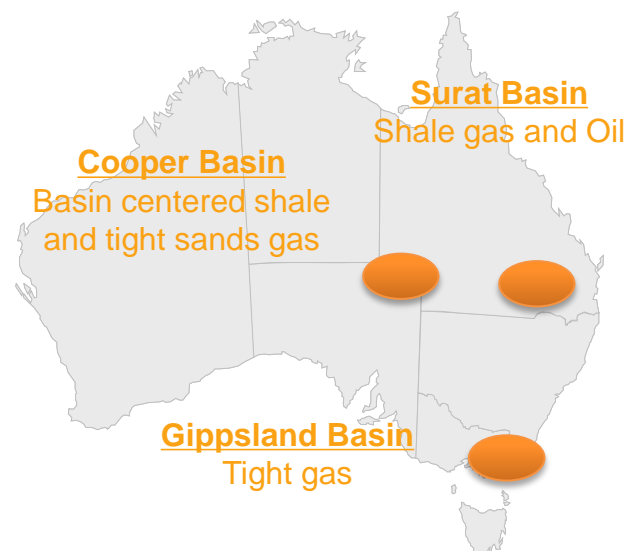
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All references to dollars, cents, or \$ in this document are to Australian currency, unless otherwise stated.

Icon Energy is a company focussed on unconventional gas with access to a potential world class multi-Tcf gas resource base

- Formed in 1993, Icon Energy has interests in three prolific hydrocarbon basins
 - Cooper Basin:** Discovered major unconventional gas resource, (basin centered gas play) in the Nappamerri Trough
 - Surat Basin:** Gas and Oil resource potential, funded through potential farm-out opportunity
 - Gippsland Basin:** Highly prospective tight gas onshore acreage in a prolific oil and gas producing basin. On hold pending Government policy review
 - Icon Energy** holds a number of other Eromanga and Cooper Basin permits

Share Price ¹	\$0.15
Shares on Issue	615.8m
Market Capitalisation ¹	\$93.0m
Cash ²	\$28.0m
Debt ²	Nil
2C Contingent Resource (gross) ³	629bcf



¹As at 03 April 2014

²As at 31 March 2014

³Announced to the ASX on 26th August 2013

World class resource

- Huge Cooper Basin shale gas resource potential
- Wells drilled to date have all intersected over-pressured gaseous formations
- Halifax-1 flowed 4.2MMscf/d, the highest flow rate from a shale gas well in the Cooper Basin
- Commercial Shale Gas well: Moomba -191 is nearby in the shallower western end of the Nappamerri Trough (SACBJV)



Upcoming catalysts

- Multi-stage hydraulic stimulation of Redland-1, Hervey-1, Geoffrey -1 and ETTY-1 expected to commence in Q3 2014
- Flow testing of Redland-1, Hervey-1, Geoffrey -1 and ETTY-1 expected to commence in Q3 2014
- Ongoing Contingent Resource evaluation post successful hydraulic stimulation & flow testing of Redland-1, Hervey-1, Geoffrey -1 and ETTY-1



Commercialisation opportunity

- Potential to monetise early gas production via existing facilities
- High demand for natural gas in NSW and feed gas for LNG plants in Gladstone
- With successful exploration, potential pilot production phase anticipated in 2015
- Joint Venture developing 2014-2015 exploration work program



Strong balance sheet

- Cash in hand A\$28.0m (as at 31 March 2014)
- Nil Debt
- Recent placement on 2nd December 2013 at A\$ 0.235 (62% premium to last closing price) raising A\$18.8million
- Fully funded for current hydraulic stimulation and flow testing program
- Funded into 2015-2016 financial year based on current work program



Senex, Origin team up for \$252m unconventional gas exploration in the Cooper-Eromanga Basin

“South Australian oil and gas producer Senex Energy will partner with Origin Energy to commercialise its unconventional gas plays in the Cooper-Eromanga Basin in a \$252 million deal”. South Australian Advertiser 24th February 2014



BG expands shale drilling venture with Drillsearch

PUBLISHED: Financial Review 10 Mar 2014 10:41:52 | UPDATED: 10 Mar 2014 10:41:52 Angela Macdonald-Smith

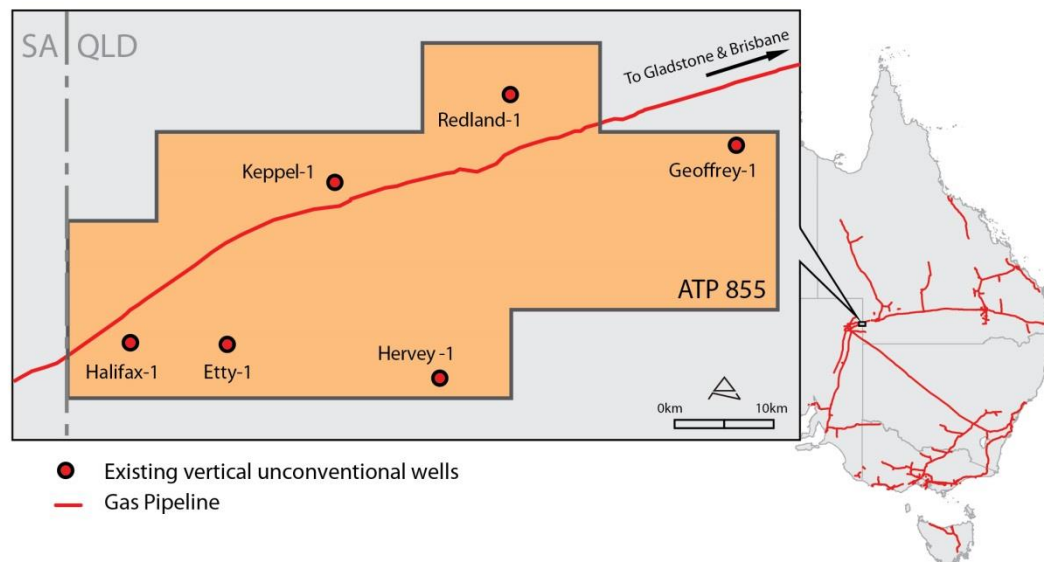


*“UK gas major BG Group has expanded its unconventional gas exploration venture with Drillsearch Energy in the Cooper Basin, **which is targeting gas that could be used in an expansion of its \$US20.4 billion Queensland LNG project.***

*The expansion of the work program to **at least 10 wells, from the originally planned six,** represents the latest demonstration of growing interest in the shale potential of the Cooper Basin, where Chevron invested last year, and where last month Origin Energy inked an alliance with Senex Energy.”*

Icon Energy holds 35.1% interest in ATP 855 (414,000 gross acres) located in the Nappamerri Trough in the Cooper Basin

- Discovered continuous basin centered gas play
- Drilled six deep unconventional tight sands and shale gas wells
- Four petroleum discoveries; Halifax-1, Keppel-1, Redland-1 and Etty-1
- Halifax-1 4.2MMScf/d highest flow rate of shale gas well in Cooper Basin
- Keppel-1 gas flowed to surface without stimulation
- Sales and raw gas pipeline traverse ATP855
- Thicker formations: REM> 500 metres, Patchawarra <900metres
- Over pressured zones
- Focus on PCA¹ applications with Queensland Government for tenement retention



ATP 855 ownership interests

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

¹Potential Commercial Areas (PCA's)

Completed six well drilling program all with significant gas shows

Well	Halifax-1	Keppel-1	Redland -1	Hervey-1	Geoffrey-1	Etty -1
TD	4,267m	3,898m	3,804m	4,269m	4,125m	3,807m
Gas Shows	Yes	Yes	Yes	Yes	Yes	Yes
Stimulation stages	14	N/A	To be hydraulic stimulated Q3 2014 25 Stages across 4 wells			
Max. flow rate	4.2MMscf/d	Flowed gas to surface unstimulated				
2C Contingent resources (gross)	629bcf	TBA	TBA	TBA	TBA	TBA
Comments	Highest gas flow rate from unconventional shale gas well in Cooper Basin	Flowed gas to surface unstimulated	Target interval gas saturated supported by mud gas readings	Target interval gas saturated supported by mud gas readings	Target interval gas saturated supported by mud gas readings	Target interval gas saturated supported by mud gas readings

Significant flow rates and resource booking

All wells have had significant gas shows

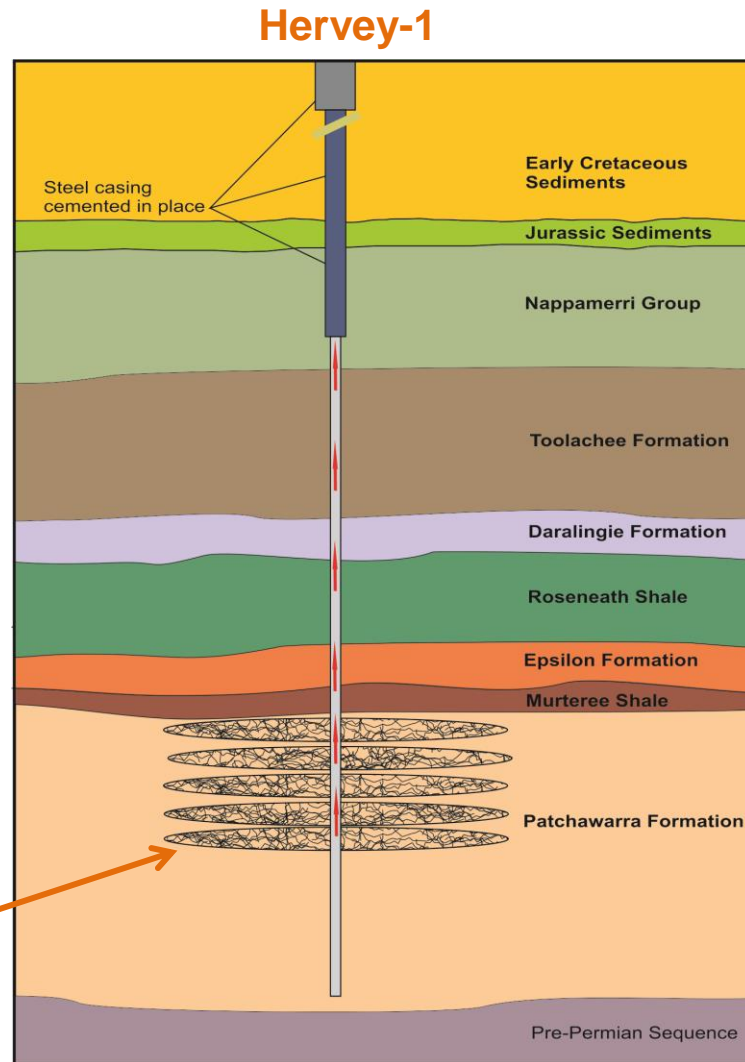


Focus on Stimulation to maximise Recovery per Well

Hydraulic stimulation program will focus on decline rates and establishing estimated ultimate recovery (EUR) from future wells

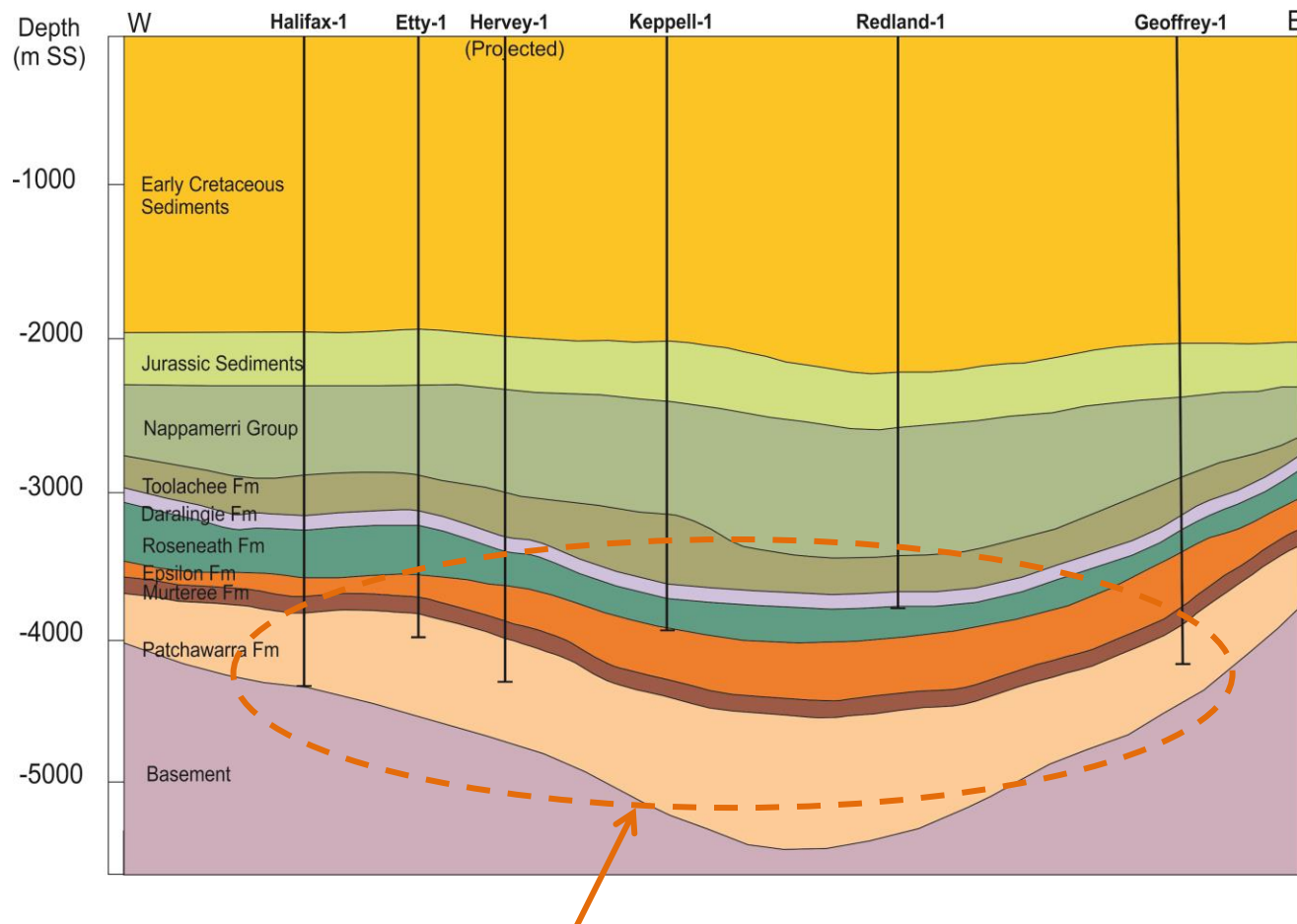
- Hydraulic stimulation program will focus on decline rates
- Hydraulic stimulations targeting specific formations;
 - ✓ Toolachee
 - ✓ Daralingie
 - ✓ Roseneath
 - ✓ Epsilon
 - ✓ Murteree
 - ✓ Patchawarra
- Selective stimulation to identify interval production characteristics
- 25 hydraulic stimulations across Redland-1, Hervey-1, Geoffrey -1 and Etty-1¹

Proposed stimulations¹



¹Subject to Joint Venture approval

- Demonstrated continuous basin centered gas play
- ATP 855 is the deeper section of Nappamerri Trough
- Over 1300 metres gas saturation section
- Basin Centered Gas play
- High over pressured zones
- High pore pressure
- Thicker formations
REM < 500metres,
Patchawarra < 900 metres



High overpressure and thick formations

Contingent Resource is around the Halifax 1 well only

Contingent Resources ¹	1C	2C	3C
Gross (Bcf)	318	629	1,115
Net (Icon 35.1%) (Bcf)	112	221	391

629 Bcf 2C and 1,115 3C Contingent Resource

¹ Announced to the ASX on 26th August 2013



Ensign 965 drilling rig



Ensign 965 drill floor depth monitor



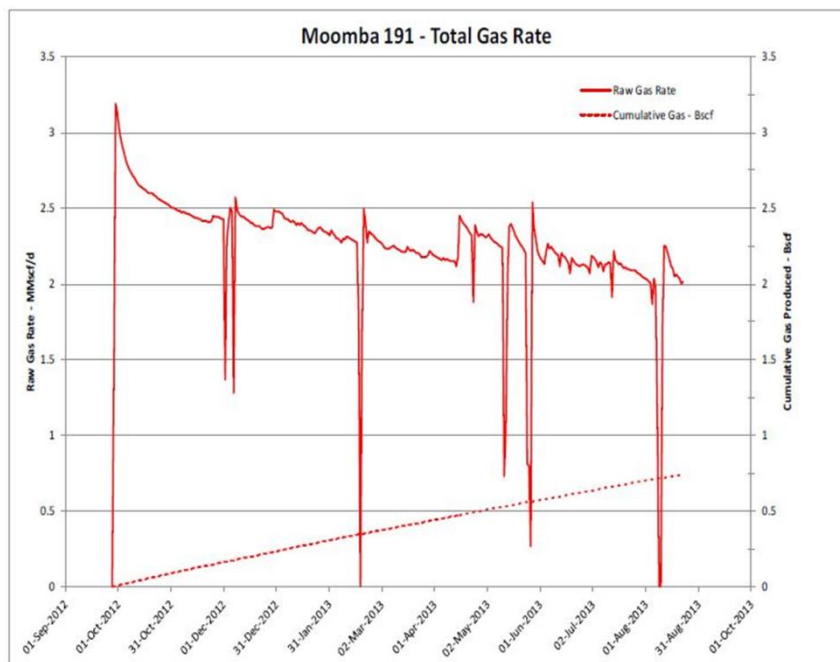
Etty-1 well head

Moomba – 191 Australia's first commercial shale gas production and reserve booking

- Initial flow rate > 3 MMscfd
- Average flow rate over first month ~2.7 MMscfd, and ~2.5 MMscfd at year end
- Australia's first shale gas reserve booking
- Indicates continuation of unconventional gas trending West of PEL 218 and ATP 855 in the Nappamerri Trough

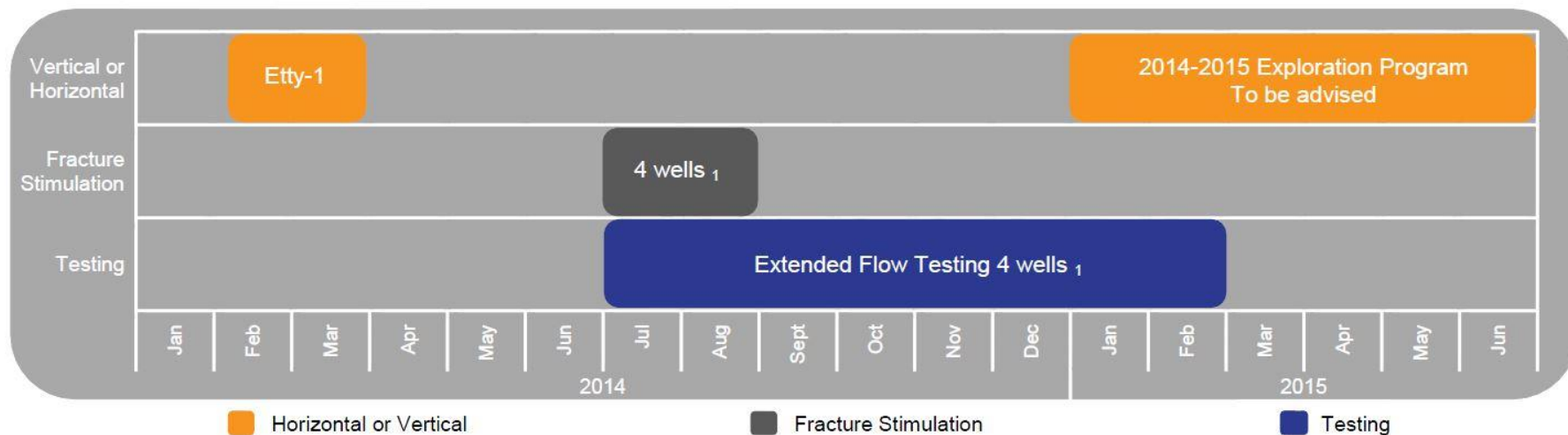
Moomba-191 Santos EUR Estimates

Gross Bcf	1P Reserves	2P Reserves	3P Reserves
Accessed OGIP	2	4	9
Ultimate Recovery	1.5	3	7



Fracture stimulation and flow-testing of 4 wells in 2H 2014

- The proposed ATP 855 work program to the end of 2015 is shown below (subject to JV approval)
- Extensive fracture stimulation and flow testing program (4 wells)
- ATP 855 work program exceeded the tenement work commitment for the first four year period
- Expect to book additional material 2C Contingent Resource in late 2014 or early 2015
- Targeted pilot production phase 2015, (subject to JV approval)
 - Potential to process and transport gas through existing SACB JV infrastructure and SWQ pipeline
 - Subject to negotiation with the SACB JV and APA Group



¹Hervey-1, Geoffrey-1, Redland-1 & Etty-1

World class resource potential

- Potential World class and multi-Tcf gas resource
- Potential for future LNG development
- Quality partners (Beach and Chevron Australia)

Located in Australia's most advanced onshore basin

- 414,000 gross acres in the Cooper Basin
- Australia's most prolific onshore oil and gas region and the most advanced shale province in Australia
- Extensive infrastructure

Australia's best unconventional results

- Six wells drilled, with the first well Halifax- 1 achieving a flow rate of 4.2MMscfd, the highest shale gas flow rate in Australia
- Wells have encountered extremely thick shale sections and gas saturated zones of ~1.3km
- Currently planning an extensive hydraulic stimulation and flow testing campaign with the expectation that additional material 2C Contingent Resources will be booked in late 2014 or early 2015

Commercialisation opportunity

- Commencing Stage 2 program in 2014-2015 (Financial Year)
- Close to existing gas processing infrastructure with major export gas pipeline running through ATP 855
- Access to east coast domestic gas market with major LNG developments in Gladstone,
- Moomba-191 is 90km from ATP855 drilled, tested and produced commercial shale gas within 12 months

Strong balance sheet

- Cash in hand A\$28.0m, nil debt (as at 31 March 2014)
- Recent placement on 2nd December 2013 at A\$ 0.235 (62% premium to last closing price) raising A\$18.8million
- Fully funded for current hydraulic stimulation and flow testing program
- Funded into 2015-2016 financial year based on current work program



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APPENDIX



Stephen Barry

Chairman &
Non Executive Director

- LLB University of Sydney, FAICD
- Director since 1993
- Partner in legal practice CKB partners.



Raymond James

Managing Director

- BSc (Physics, Maths, Geology) University of NSW, FAICD, FAIM
- Founded Icon Energy in 1993
- Previous experience with leading E&Ps – Chevron, Gulf Oil and Omega Oil



Dr Kevin Jih

Executive Director &
Chief Financial Officer

- Certified Practising Accountant (“CPA”), MBA, MACC, PhD (Accounting)
- Fluent Mandarin, English
- Previous experience with Tai-Chern Enterprise, Hong Yang Lease Finance, MYC Group, Hualien Commercial Bank



Dr Keith Hilless AM

Non Executive Director

- AM, BE (Elec) Qld, DUniv QUT, FIE Aust, FAIM, FAICD
- Former Chair of Zero Gen
- Former Queensland Electricity Commissioner
- Past Chairman Ergon Energy (QLD)



Howard Lu

Non Executive Director

- Joined the Board in January 2011
- Executive Chairman Shin Zu Shing Precision and a number of other entities in China
- Mr Lu has residences in both Australia and China



Derek Murphy

Non Executive Director

- BA, LLB (UQ), LLM (Lond), FAIM, FAICD, FHKIoD, SF Fin
- Former Crown Counsel; Deputy Commissioner for Securities and Commodities Trading in Hong Kong
- Former Managing Director of what is now HSBC Asset Management



Raymond James

Managing Director

- BSc (Physics, Maths, Geology) University of NSW, FAICD, FAIM
- Founded Icon Energy in 1993
- Previous experience with leading E&Ps – Chevron, Gulf Oil and Omega Oil



Dr Kevin Jih

Chief Financial Officer

- Certified Practising Accountant (“CPA”), MBA, MAACC, PhD (Accounting)
- Fluent Mandarin/ English
- Previous experience with Tai-Chern Enterprise, Hong Yang Lease Finance, MYC Group, Hualien Commercial Bank



Richard Holliday

Commercial Manager

- 30 years experience working with Government, Communities and Media
- Previously employed by Santos/GLNG as Manager Media and Communications
- Strong commercial background across many sectors within the economy



Martin Berry

Exploration Manager

- Petroleum Geologist, BSc (Hons) Geology, University of London, FGS, Member AAPG
- 30+ years working internationally in the oil and gas industry
- Extensive experience in both conventional and unconventional exploration

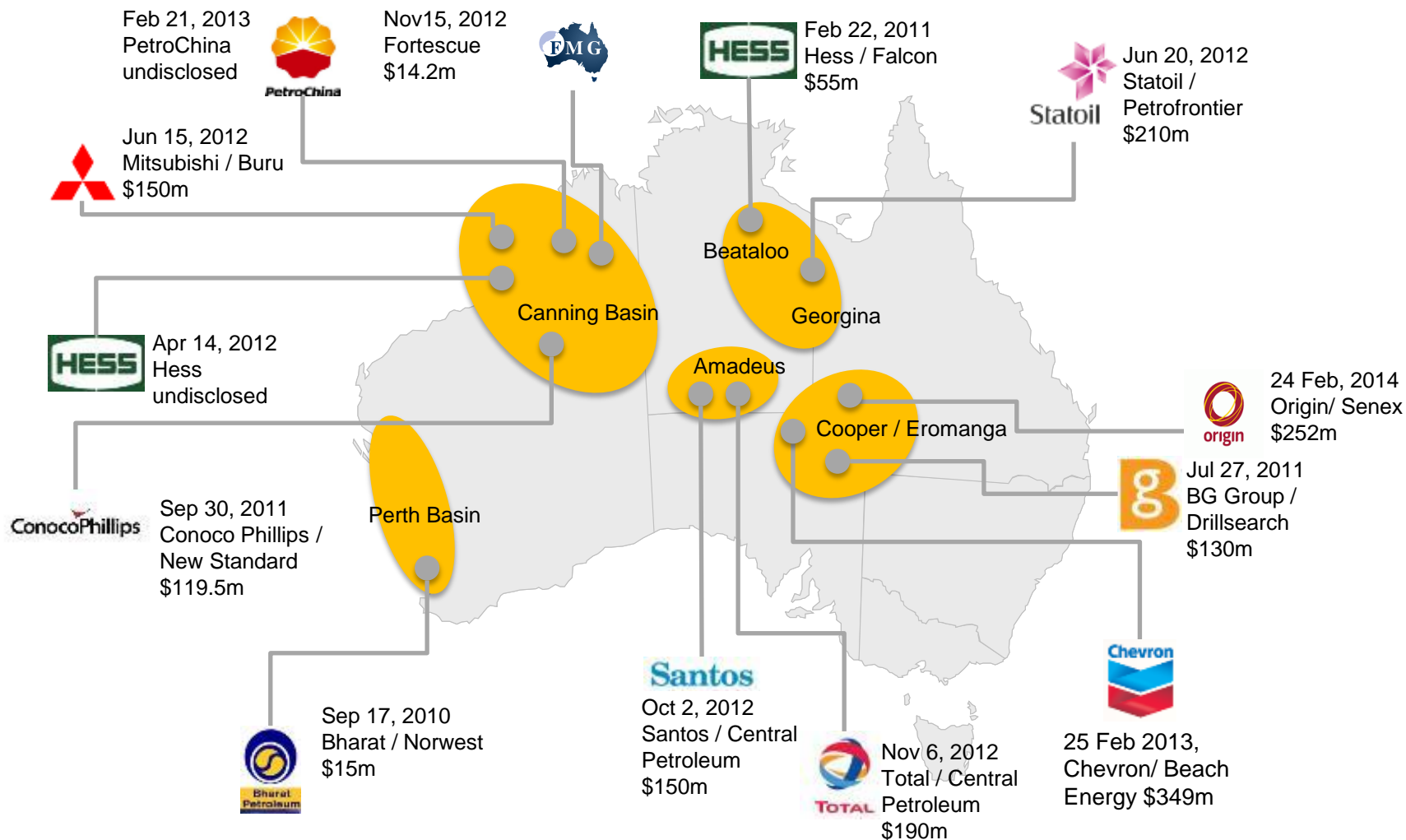


Ross Mallett

Company Secretary and Legal Counsel

- Lawyer and Company Secretary JD, BBus, GDLP, FCIS, FCPA, MAICD
- Former Company Secretary with People's Choice Credit Union, Elders, BHP Billiton, WMC & CRA

Experienced management team



Significant interest from major E&P companies in Australian shale gas